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The Nation's Business

The Missing Link In War Supply

The British War Supply Board no longer exists.

Until a few weeks ago it was the channel through which passed British requisitions on American or Canadian sources of supply.

At least they were supposed to pass. Unhappily in too many cases the Board proved to be less of a channel than a dam. Such procurement plans as managed to get the approval of the British Treasury—only a fraction of the demands made by British military authorities —ran a good chance of getting held up in the cumbersome routine of the Board. If they got through the Board they were then given to Arthur B. Purvis in New York to place with U. S. factories, or to Canada's own war supply authorities for placement in Canada.

Now the Board is gone. The British Government will deal directly with American suppliers through Mr. Purvis; and with Canadian suppliers through Hon. C. D. Howe, Minister of Munitions and Supply.

* * *

Thus, after months of delays and snags, the machinery of British buying in Canada has been much simplified. The machinery could have been further simplified if the British Government had set up only one trans-oceanic channel and had asked Mr. Purvis to oversee all British war buying in both countries. Mr. Purvis could have placed in Canada any business this country could handle and sought American sources of supply for the rest. For the moment at least, that is not to be done. But Mr. Purvis can be counted upon, no doubt, to urge the diversion to Canada of all war production of which our present or possible industrial facilities are capable.

The new British buying setup on this country does not negative the need for an experienced industrialist in Canada as supreme co-ordinator of war supply. In fact, the heavier responsibilities now borne by Mr. Howe's department make the appointment of such a man even more urgent.

* * *

Mr. Howe has many of Canada's greatest business executives now working for him. Some are $1-a-year men on a full-time basis. Others are part-time executives. Still others are acting as directors of the new buying corporations he is establishing.

These men are the cream of Canada's industrial brains. But some of them have little more responsibility than an army corporal. In wartime, men's abilities should be used to the full. They can only be used to the full when there is efficient coordination at the top. An army of colonels and generals cannot get results if it does not have a commander-in-chief. And the C.-in-C. should not be the political head of a department.

* * *

Mr. Howe is trying to be both the policy-maker and the executive administrator of war supply. There are two separate jobs to be done. As minister, and a member of the Cabinet, Mr. Howe has a big task in co-ordinating the work of supply with other phases of the war effort. If he is to do that job properly he will be much too busy to give effective service in the second job, of getting the supplies that are needed—quickly and economically.

The Minister of Munitions and Supply needs a Sir Joseph Flavelle as chairman of war supply for Canada. The sooner he gets one, the more effective his own work will be.

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Gen. McNaughton Is Needed Here

A "shake-up" in the Department of National Defense has long been promised. Certainly it has been necessary. More than one journalistic supporter of the Government has been caustically frank in revealing the extent of "brass-hat-ism" in the Department. Key jobs are held by men utterly incompetent to manage a war effort on modern lines or of today's proportions.

During the past week, various new appointments have been made in the Department. For instance, three inspectors-general have been named. But the public is mystified to know whether or not these appointments represent the shake-up that was both needed and promised. In short, nothing has happened to restore public confidence in its war ministry.

What the situation demands is clear; it is to have Canada's military needs outlined by a man in whom the people have confidence. There is no such feeling of security now. The public fears that the present personnel of the Department is not fully competent to draft a programme of what Canada's war needs are: how many men we need, how many guns, how many tanks, how many planes, how many ships.

Major-General Andrew McNaughton is needed in Canada. He should

(Continued on page 2, col. 3)

Canada Takes Full Control Of War Supply Resources

British and Canadian Buying Centralized and Co-ordinated in Hands of Dominion Authorities — Sweeping Powers Assumed Over Industry

From Our Own Correspondent

OTTAWA.—Further steps to permit planned, co-ordinated buying for war by businesslike methods have been taken by both the Canadian and British Governments, as the most crucial phase of the conflict moves nearer.

Significant moves included:

1. Creation by the Canadian Government of a new Wartime Industries Control Board, endowed with sweeping powers to regulate and direct wartime industry. Supply Minister Howe has had these powers all along. Now they are centralized in a board.

2. Announcement of the first three of a projected series of Government-owned corporations which will undertake the supply or manufacture of war supplies. The first three are Citadel Merchandising Co., Federal Aircraft Ltd., and a third (as yet unnamed) to manufacture chemicals and explosives.

3. Dismissal by the British Government of its War Supply Board that covered Canada and the United States. Assigned to take over this vital work were: Hon. C. D. Howe's Department of Munitions and Supply, for purchases in Canada; and Arthur B. Purvis, for United States business.

Broad Power Assumed

The Wartime Industries Control Board has power to assume an active role in the mobilization of Canadian industry for war supply.

The new Control Board sets up an industrial dictatorship empowered to take virtually any and every means to get the maximum use out of Canadian raw material and industrial capacity, and to co-ordinate this activity with the broader requirements of national policy. Giving the Government these powers and the machinery to use them rather than an immediate intention to use them is reported to be a reason for the move.

Control of Materials

It would appear that this new board is to take over and extend at least some of the work of the Wartime Prices and Trade Board, which was one of the first special boards set up after the declaration of war.

The Wartime Prices and Trade Board, in addition to exercising general police functions over all prices, has been doing special jobs under the general setup of a civilian business corporation as in the case of sugar. Here, the Board bought all sugar to be used in Canada and has been reselling it to the refiners.

The handling of the sugar situation is understood to have worked out well for all concerned. It is understood that the new Industries Board is designed to give the Government power to adopt the same general methods and to assure the public the same general advantages over a much wider range of vital commodities.

Functions of Board

The new Industries Control Board consists of Hugh D. Scully, Ottawa, steel controller; H. R. MacMillan, Vancouver, timber controller; G. C. Bateman, Toronto, metals production controller; and George C. Cottrelle, Toronto, oil controller.

The order-in-council establishing their functions delegates to them some of the wide powers granted to the Minister of Munitions and Supply, Hon. C. D. Howe, to conserve, co-ordinate, restrict and regulate certain essential supplies.

Power and Duties

The order-in-council outlines the powers and duties of each controller. Those of the timber controller are typical. He may buy, or expropriate, process, store, transport and allocate timber. For these purposes he may take over and use any buildings, machinery or animals to assist in the process.

He may ration the timber sold to any firm, set up a licensing system for lumber dealers and establish priorities in deliveries. He fixes the price to be paid for the timber. Capital funds to carry out this work are to be provided by the Government.

The Corporations

Basic reason for the formation of Government - owned corporations such as Citadel and Federal for the production of certain war supplies, is to secure adequate output of types of material that are required only during the war and for which there will be greatly restricted or no demand with peace.

It is production of this class of product that places undue burdens on private industry.

Memories of the post-1918 industrial collapse of many "war indus-

(Continued on page 2, col. 6)

Candn. Dredge Work Stopped

Dredging Contracts Suspended But Hope to Complete Part Yet

All work which Canadian Dredge & Dock Co. had under way has been suspended as a part of the Dominion Government's stoppage of work on all public works of a nonessential nature, The Financial Post learns.

Practically all of Canadian Dredge's business is obtained under contract from the Dominion and this stoppage affects its whole operations.

Some portions of the work which Canadian Dredge had under way, it is understood, were of such a nature that they may have to be completed and negotiations toward this end are still going on. Thus it appears that some of the work may yet be carried out this year. It is hoped that a final decision can be reached soon.

Stoppage of work has left the company with a problem of providing for three or four hundred employees. Most of these are specialists in various phases of marine work and will not fit readily into other available work.

Good Volume Under Way

At the time that the suspension order came through the company had around $1 million of work under contract, a considerable portion of it dating from before the war. The prospects were thus for a reasonably good year in 1940 until the latest development.

Canadian Dredge has a small dry dock at Kingston but this is also idle. The facilities are limited and the company had not attempted to obtain a share of the shipbuilding contracts allocated by the Dominion. Under ordinary circumstances this dry dock is used to build and maintain the company's own fleet.

Tax on Wages Creates Snags

New Levy for Defense Causes Much Confusion Among Employers

National defense tax regulation requiring employers to collect it from their employees is causing widespread confusion and wrestling with difficulties.

In his budget address, Finance Minister Hon. J. L. Ralston stated that collection would be made by the employer as far as administratively possible. This last qualification is expected to be a refuge in more difficult cases.

Among the difficulties presenting themselves to employees, until definite rulings are laid down, is that of the man working on commission. In many cases where he collects the money from his customer, he deducts his commission and sends the net amount back to the company. In such a case the employer handles none of the employee's money at all and hence cannot deduct the tax. Then there is the case of the man working partly on commission and partly on salary.

Employee Responsible

It is understood that in such cases the employer will not be asked to make any deduction from commissions for income tax. The employee, however, will be asked to make a statement on his income tax return showing his total income received and the amount of national defense tax he should pay less any that may have been collected by his employer in the nature of salary or wages.

Another problem that has caused some concern is that of the part time employee. In such cases it is stated the employer will deal with the tax on a day to day or week to

(Continued on page 2, col. 5)

U. S. Curb on War Supplies Unlikely to Hinder British

From Our Own Correspondent

WASHINGTON.—Canada and the United Kingdom need not worry about getting their supplies of machine tools, raw materials, munitions and other supplies from the United States.

This week President Roosevelt issued a proclamation placing a virtual embargo on the sale to foreign countries of any materials or articles likely to be needed in the national defense programme. A system of licensing was set up and military authorities were given power to determine what could be shipped and what could not be shipped. Col. Russel L. Maxwell was appointed administrator of export control for this purpose.

News dispatches in some Canadian papers, stating that the new measure would cut off the supply of American machinery and materials for Britain and Canada, were termed here by a sound authority as "so much bunk."

There is, The Financial Post was told, no intention on the part of the administration to divert essential supplies from the British nations. The powers will be used where they serve American interests and will not be used where it suits the United States not to use them.

Thus the administration might, and probably will, clamp down on shipment of machine tools and vital war materials to Russia and Japan, while permitting free export to Great Britain and Canada. This would be in line with the administration view that Russia and Japan threaten the peace and security of the United States while the British nations are engaged in a battle where their success is essential to American security.

Highlights OF THIS ISSUE

Material resources are still the key factor working for the Allies in their struggle with Germany. A staff writer surveys why lack of resources is going to be Hitler's downfall.

Here's Why Hitler—p. 9.

* * *

Foreign exchange control restrictions are not entirely preventing stock and bond transactions by Canadians in the American market. The importance of this business and the types of deals allowed are discussed in

New Basis—p. 11.

* * *

Larger gold mills appear to be on the horizon since clarification of the tax situation by the new budget. Gold mines now thinking of stepping up capacity are reviewed in the light of a new situation.

Budget to Bring—p. 15.

* * *

Irish Sweepstakes have been suspended due to the war, but apparently an attempt is under way to revive operations on a smaller scale in Canada despite contrary laws. Operating from Montreal, a $4.5 millions lottery, sponsored by Provincial Society for Assistance of the Blind, is trying to tap the U. S. market.

Quebec Lottery—p. 3.

* * *

Life insurance faces new conditions with Canada on a war footing. How insurance now stands up with other investments is reviewed by a Post staff writer.

Life Insurance—p. 10.

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General Index on p. 2.

Tamblyn Sales Still Climb

First Half of 1940 Shows Improvement Over Last Year

Sales of G. Tamblyn Ltd. in the three months ended June 30 showed an improvement over the corresponding quarter of last year, according to W. C. Scott, president.

Sales of two stores recently opened in London and Ottawa are satisfactory and are not interfering with the company's other stores in these cities. A new store was opened in June at Sarnia, while another is expected to be opened this week in Walkerville, Ont. One Toronto store has been closed and leased.

Previously Mr. Scott had reported sales for the first quarter of the year being higher than in 1939, so improvement has been shown for the first half of this year as compared to 1939. Net profit last year was slightly lower than in 1938.

Inter. Paper Paves Way To Refund

Files S. E. C. Statement on $32 Millions Issue — Plans to Simplify Financial Structure

From Our Own Correspondent

MONTREAL.—International Paper Co. has filed with the Securities and Exchange Commission a registration statement covering a $32 millions issue of first mortgage bonds due July 1, 1955, to be underwritten by a group headed by the First Boston Corp. and Smith, Barney & Co.

Proceeds of the new bonds, of $12 millions new 6% sale notes to be taken by banks, and $8 millions first mortgage bonds of Hudson River Power Co. to be placed privately with insurance companies, will be applied to retire substantially all funded debt of International Paper Co. and its subsidiaries in the United States.

The issues to be eliminated include International Paper Co.'s $14,257,000 5% first refunding mortgage bonds due 1947; $14,722,000 refunding mortgage 6% bonds due 1955 and $13,210,000 secured sinking fund and serial notes, as well as Southern Kraft Corp's $11,260,000 first leasehold and general mortgage bonds 4¼% series due 1946.

Merge Several Properties

Prior to the issue of the new first mortgage bonds, Southern Kraft Corp. will be merged into International Paper Co. American Realty Co. which has extensive timber limits in New England, is being presently merged into International Paper. On completion of these mergers, International Paper will own directly over 93% of all the properties controlled by it in the United States.

The proposed new bond issue will be secured by direct, first mortgage on substantially all the operating properties and the timberland to be owned directly by International Paper Co. upon completion of these mergers. Excluded from the lien of the mortgage are two operating mills, five shut down jute board mills and certain timberlands and small properties, none of which is considered important in connection with the company's operations.

Underlying Financing

International Paper Co. first refunding mortgage 5% bonds due 1947

(Continued on page 2, col. 1)

Coming In The Post

Much is heard of Canada's plans of organization for war. But what has actually been done? What is being done? Who are the men that are doing it? What are their qualifications?

These and other questions are of vital interest to businessmen and investors. Research is being carried out to find the answers, and The Post will soon start a series of articles outlining the intricate, highly interesting and informative details of Canada's organization for war.

The War and Business

This week, as the war spread in Europe, attention of Canadians remained rivetted upon the key struggle that seemed likely to begin soon—the Battle of Britain.

On the ability of Britain to hold out against the Nazi assaults rested more than the security of the British Isles. At stake as well were the existence of the British Commonwealth of Nations, the democratic way of life and the system of individual enterprise.

* * *

U. S. Defeatism

Last week this column reported a tendency in the United States to discuss a Nazi victory and its consequences as though Hitler had already won. This week saw the "defeatist" spirit gaining ground among Americans. When Senator Pittman, chairman of the Senate Foreign Affairs Committee, said that "nothing the United States has to give can do more than delay the result of the war," he echoed what many were saying.

Many U. S. papers freely forecast this week the ending of the war by November and suggested that the issue was no longer one of helping Britain (now too late for that, they say), but of "appeasing" Hitler. Even the sober and friendly Whaley-Eaton Service said: "The logic of the situation points to peace, such as it is, before the end of this year." Britain, it argued, cannot hold out indefinitely. "Her so-called control of the world is gone."

* * *

It was not a pleasant peace that these American commentators looked for. Dr. Schacht was seen planning a new authoritative economic system for Europe and a trade offensive that would damage the United States as effectively as an armada of bombing planes.

A German-dominated Europe would dump its industrial products in all world markets and force the few remaining democratic states, and particularly the United States, to scrap their present economic systems. Free enterprise would make way for Nazi-dominated state capitalism the world over.

Berlin propagandists fed the stream of business defeatism in the United States with bombastic offers of steel and other products for October delivery and with talk of a new world monetary system which would ignore gold.

* * *

Britain Digs In

While U. S. observers played Fifth Column to Democracy by such talk, Britain reiterated its determination to fight it out to victory. As Britons surveyed the new decrees the Gestapo proclaimed in France they knew that there could be no peace now except through abject surrender. And this they vowed never to do.

Rejecting peace propaganda and bracing herself for the expected attack, Britain concentrated her strength. "No side shows" is Britain's new rule of strategy. She has withdrawn within her fortress, confident of her ability to hold it against any attack, confident, too, that if she can stand off Hitler until the winter she can go on to win the war. The Navy has been remarkably successful against Italian submarines and the R.A.F. has proved that one British airman is worth three Germans.

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And, indeed, while Hitler is now riding high, it has become apparent that Germany's economic position is not too good. Germany must feed the whole of non-Russian Europe this winter. This she cannot do. British ships still control the oceans. Germany as yet has no positive indication either of being able to import food and supplies to Europe or of shipping industrial goods abroad and if she cannot get food supplies she faces mass revolutions.

In any event the question of "sticking power" looks again as the important issue in the war. It is dealt with in a special full-page article on page 9 of this issue of The Financial Post. The article demonstrates that, while Hitler contrived to win early and smashing victories by the force of his initial striking power, the ability to withstand a long war rests solely with the Allies.

The Allies? Throughout the world men and women awoke this week to the fact that there are no Allies; that the British Commonwealth of Nations is fighting this war alone, aided only by remnants of beaten armies and air forces. For while the fate of the French navy remained a secret, it became apparent that when Petain (apparently at the dictation of Flandin, Laval and Bounet) signed a treacherous peace he took the whole French Empire and most of France's fighting units out of the war.

From Paris come reports that the French surrender was dictated by fear of a proletarian revolution.

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On the Home Front

In Canada war preparations make progress along lines previously laid out. Munitions business is being placed at a rapid rate. New and sometimes secret factories are being set up; few details are vouchsafed. Mr. Howe has set up corporations to buy aircraft and machine tools. The Air Training Programme is being speeded up as a pilot producer. New army divisions are in process of organization.

Mr. Howe took under his wing directly the whole business of British war buying in Canada, thus shortening the lines of communication between the Old Country and Canadian factories. It seemed possible that there might be more rapid action in getting British war orders placed in Canada. The British Treasury is apparently no longer sitting on the money chest in war buying, but up to mid-week it was asking Canada to grant charity to the evacuee families of wealthy Britishers.

New controls over raw materials have been set up, but there is still no word of the appointment of a supply co-ordinator whom members of the cabinet privately admit is need. Mr. Howe seems determined to remain not only the chief policy-maker in supply, but also the chief executive.

There were a few new appointments in the Department of National Defense this week but no sign of the shake-out of incompetent brass hats demanded even by newspapers that supported the Prime Minister and the late Defense Minister in recent months.

As for Mr. King's new cabinet appointments these were still in the air as this issue of The Financial Post went to press. Parliament spent several days on routine matters, waiting for the Government to give it more important work to do.

* * *

Hemisphere Defense

Canada continues to send all available supplies to the U. K. but in present defense arrangements it is not overlooked that Canada may yet have to defend herself—and the Empire — on her own shores.

And as Canada discusses home defense, there is further unofficial discussion of defense and economic co-ordination with the United States. And yet not entirely unofficial. For the Montreal Herald, republishing Bruce Hutchison's broadcast on the new Roosevelt dream of economic-defense zollverein for the Americas (to include Canada), pointed out that it had received its text of the address from the Director of Public Information at Ottawa!

* * *

Planes From U. S.

In the United States the British announced they (with the French) had obtained delivery of about 4,000 airplanes in 10 months (a prodigious feat for an industry geared to produce little more than 500 planes a month all told). There were more than 6,000 planes yet to come. American engine and airframe capacity is being rapidly increased but cautious estimates put total output at not more than 1,700 a month by September, 1941. Nevertheless this figure loomed large as R.A.F. and Hun bombs threatened to cut down both Nazi and U. K. output.

> *Let us, therefore, brace ourselves to do our duty and bear ourselves that if the British Commonwealth and Empire last for a thousand years, men will say "this was their finest hour".*
>
> Rt. Hon. Winston Churchill
> June 18, 1940
>
> We the directors, officers and staff of this Company are confident that Canada with the other countries of the British Commonwealth and Empire will win the war, and to this end we pledge ourselves to devote everything of which we are capable.

Canadian business is determined that nothing that it can do to aid the war cause will be left undone.

One firm, A. McKim Ltd., advertising agency, put its war pledge in the form of this attractive, large-sized poster which has been signed personally by the president of the company, C. T. Pearce, and hangs in every one of its offices throughout Canada.

Many other Canadian companies, desiring to affirm their own determination to throw all their resources into the effort, have asked for copies of the McKim pledge. As a result, copies are hanging in many other business offices, signed in each case by the head of the company.

Difficulties Sidetracking American Cartel Plan

From Our Own Correspondent

WASHINGTON. — The hemispheric trade cartel proposition seems to have become pretty much an "if Hitler wins" project.

As the first gusts of enthusiasm drifted away, and officials tried to figure out operation of the scheme, many practical difficulties arose. These seem to have put its realization, to say the least, farther away than just around the corner.

The outlook is for some greatly modified programme under which the United States, one way or another, will help some of the South American countries out of their immediate difficulties resulting from the stricture of their European markets.

"I think there is an awful lot of buncombe in this whole hemispheric propaganda," said one prominent observer here. "We should be mighty lucky if we could really control as far down as Panama and perhaps along the northern shore of South America; also reaching out and controlling the islands stretching from Florida. As to ever getting any military help from South America, that is just foolishness."

Trade Monopoly

The scheme was for a gigantic trade monopoly whereby United States would head up a cartel—and provide the vast sums required—to present a solid economic front to a Hitler-dominated Europe.

It was argued that by putting all available supplies into the hands of one trader, the European dictator would find business more difficult and the many sellers in the Americas would get better deals.

Conceived by Hopkins

It is understood here that the continental trading plan was a product of the fertile mind of Harry Hopkins and associates at the department of commere.

Not until President Roosevelt had permitted announcement of the project at a press conference did the State Department, usual thinker-uppers in this phase of international business, hear anything about it.

The scheme hurls overboard the entire policy of the Hull trade agreements and Mr. Hull, Secretary of State, is understood, to put it very mildly, to be annoyed.

Obstacles in Way

Some of the difficulties in the way of the project which gradually dawned in official quarters are the following:

Europe is the biggest market of the Americas and it is regarded as a basic absurdity to attempt to set up a machine discouraging that end.

In view of the British blockade, are Uncle Sam and associates going to attempt to feed famished populations in Europe at a time when Britain may be depending on this famine condition as the principal weapon for the defeat of Hitler? That result fits nowhere with the policy and sentiment of the present Washington administration.

The proposal to cartelize some 31 vital commodities produced in the

(Continued on page 2, col. 2)

B.C. Packers Fear Cuts In Exports

No Indication as to British Purchases — Reduces Salmon Buying Prices

From Our Own Correspondent

VANCOUVER.—These are difficult and uncertain times for British Columbia salmon packers.

Completely in the dark regarding the prospective purchases by the all-important British sockeye market, the packers have been compelled to lay their plans for the present season to conform with any emergency that may arise.

Meanwhile they have offered a price for sockeye some 20% less than last year and a large proportion of the fishermen have balked, claiming that the increased cost of living should justify a higher price. The packers' answer to that is that they are taking all the risk, as there is a danger that Britain, which has been the mainstay of the export salmon market ever since Empire preferences were established, may regard sockeye as a "luxury fish" this season and declare a virtual embargo on that grade.

B. C. Packers

Some of the packers, notably B. C. Packers, Ltd., are going ahead anyway, even though canning operations involve economic hazards. The underlying attitude is that this is no time to curtail production of foodstuffs even though the market is cluttered with doubts.

Production of the sockeye or "red fish" varieties, the top price variety of Pacific salmon and most important factor in the export trade is much higher in British Columbia than elsewhere, due to necessity to do most of the fishing by costly gill-netting and the increased cost of labor and materials and transportation. The Empire preference alone has kept B.C. sockeye in the British market in recent years. The landed price of Japanese salmon in the United Kingdom, even when the duty is paid, is four fifths that of the B. C. fish. The American pack, produced by low-cost fish traps in the Alaska zone, is also sharply below the B. C. figure. The Japanese and Americans sell far more fish to the U. K. than British Columbia.

Price Guarantee

Fishermen's groups on this coast have been urging through B. C. members in the House of Commons that the Federal Government guarantee a price for salmon and take over the pack. The packers hope that the Government will not take any such action, and they were gratified when Hon. J. E. Michaud, federal minister of fisheries, stated that the Government did not contemplate taking over the pack, seeing no reasonable comparison between the case of the wheat growers and the salmon fishermen.

The packers feel that if the Government once enters the salmon industry a dangerous precedent will be created and that fish will become a state monopoly, so regimented that all advantages of enterprise and private initiative will be lost.

Tobacco Taxes Raise Prices

Quebec Levy Jumps Cost of Cigarettes by 12 to 20%

From Our Own Correspondent

MONTREAL.—Quebec province's levy of 10% on tobacco went into effect July 1, raising the cost of smokers' supplies. At the same time the Montreal municipal levy of 2% was dropped.

While the increased levy is placed at 10% in actual practice the increase ranges from 12% to 20% to the consumer. The increase applies to unit sales and therefore on a dollar of purchases is considerably greater than the 10%.

The general line of cigarettes that has been selling in Montreal at 22 cigarettes for 25 cents, including one cent civic sales tax, now sells for 24 cents, plus three cents provincial sales tax, or 27 cents. The 10-cent size cigarette package, containing nine cigarettes is now 11 cents.

Canadian tobacco companies are planning to adjust the size of the package for the sake of convenience to selling prices of 10, 15 and 25 cents when the new Dominion Government tobacco tax comes into effect.

Port of Montreal Collections Rise

June Total Up From Last Year But Lower Than May

From Our Own Correspondent

MONTREAL.—Port of Montreal customs and excise collections during June totalled $10.9 millions, compared with $8.8 millions in the same month last year, an increase of $2 millions, or 22.7%.

An all-time high was reached in May of the current year, totalling $13.2 millions.

Following are collections by months in the first half of the year:

	1940 $	1939 $	1938 $
Jan.	8,349,980	6,851,440	7,246,409
Feb.	8,448,913	6,348,764	6,862,986
Mar.	9,349,524	7,173,783	7,627,085
Apr.	10,783,904	6,835,973	8,352,333
May	13,198,240	9,736,807	9,109,744
June	10,937,321	8,845,633	[illegible]

EATON'S

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AN ENTIRELY DIFFERENT TYPE OF

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EATON PRICE EACH 10.50

No fisherman who's worthy of the name minds the odd bit of rain . . . ask him, and he'll tell you that "cloudy with scattered showers" usually means mighty good fishing! On the other hand not even the most rabid fisherman gets much fun out of being soaked to the gills while pursuing his favourite sport. Well, that's where the Fisherman's Coat comes in! It's made of tough, sturdy oiled cotton, lined in back, chest and arms for extra protection. It's a veritable "tent" . . . specially designed and cut to cover almost every part of the body! Equipped with elastic inner cuffs, wide corduroy turnup collar with leather strap, big, roomy pockets and hook front. A "must" for every man who takes his fishing seriously!

In sizes 38 to 46.

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Lined Back

Main Store — Air-Cooled Second Floor

T. EATON Co LIMITED
TORONTO CANADA

The Nation's Business

(Continued from page 1)

be asked to draft our defense programme and the Minister and his deputies should see that it is carried out.

The public has plenty of confidence in the Minister, Col. Ralston; in his assistant, Col. Magee; in his deputies, Col. MacLachlan and Col. Desrosiers. They have confidence in the air deputy, Mr. Duncan.

But the point upon which they demand assurance is that these men, able administrators but laymen in the art of war, are getting the right kind of advice and the right kind of defense programme to carry out.

* * *

Willkie Nomination Is Portent for Canada

The race for the U. S. presidency is under way.

The field of choices is now narrowed down very considerably. If Mr. Roosevelt runs again he has a fair chance of being re-elected.

If Mr. Roosevelt does not run, it is not likely that the Democrats can produce a candidate to put out the Wendell Willkie prairie fire.

Willkie and Roosevelt see things alike in two matters of vital importance to Canada—aid to the Allies and sweet reasonableness in protective tariffs. Mr. Willkie supports full aid to the Allies (short of war) and he supports the Hull reciprocal trade programme. In these two respects he is a better candidate from the Canadian standpoint than any of the other leading Republican contenders would have been.

* * *

But there is something more significant to Canadians in the Willkie nomination than even those two important matters. It is the fact that Willkie was named by the rank and file delegates at the G.O.P. convention in a sweeping "average man's revolt" against too much government in business; too much taxation; too much radical experimenting; too much "softening up" of democracy in years when a toughening of the moral fibre of people was needed to meet the rising challenge from the totalitarian states.

There was a good deal of brilliant publicity "build-up" in the Willkie nomination. But no such campaign could have been put over if Willkie himself had not had something to offer.

Willkie does not believe that the state ought to be a free-lunch counter.

He does not believe that a nation's greatness is measured by the comfort of the mattresses provided for youth to lie upon while day-dreaming.

He does not think that governments are wiser than the people who elect them.

He does not think that a nation gets rich by taxation nor that the poor are any the less poor because the policy is to "soak-the-rich."

He does not think that success in business is a crime against society.

He does not think government boards should rule by blackjack.

He does not believe in taxation as an instrument of reform.

He thinks there is as much tyranny in monopolistic government as in monopolistic industry.

He believes that governments, like individuals, should balance their budgets.

These are not Willkie's own words. But they size up the ideas he has preached.

In short, Mr. Willkie is opposed to the "Front Populaire" experimentation that has been going on in recent years, in an effort to create a world in which people will not have to work; a world in which they will be protected, without obligation to themselves, against all the normal perils and challenges that life presents.

The selection of Willkie was a revolt on the part of the average man against political straddles; against government spending; against too much state control; against professional experimentation with society itself.

* * *

That is something for Mr. Roosevelt to think about. It is not likely that the lesson will be lost on him.

But it is also something for our own politicians to ponder over—our Aberharts, our Pattullos, our Stevens, our Herridges, our supposed Liberals and Conservatives who vie with each other to outpromise the promisers.

The democracies have been brought to the very rim of the abyss because they have gone flabby, sitting around for governments to hand out platterfuls of the abundant life. While they were looking for magic passwords to social security, Hitler and Mussolini and the Japanese were doing something to their national security.

If Willkie's nomination means anything it means that people are a little tired of all that. Otherwise they would not have chosen as presidential candidate a man drawn from that class—successful business executives — whom everyone was only too willing, a couple of years ago, to regard as public enemies.

* * *

Making the World Safe For Men Like Ford

An English-language announcer on the Berlin radio the other night gleefully repeated Henry Ford's statement that he would not make airplane engines for the Allies. "Would that there were more Fords in America," said this Nazi commentator.

The wish is a vain one. There are not many Henry Fords. In fact there is only one and there may never be another. He is a phenomenon unique in history.

* * *

The world is a better place because Henry Ford has lived in it. He has led the way to cheaper transport and higher wages. He has raised the standard of living of tens of millions of people.

Whenever Henry Ford has set his hand to a job involving mechanical genius, involving invention, resourcefulness and business organization, he has made a success of it. That is not to say that all his experiments have succeeded. But once he has concluded his experiments and declared that a certain job could be done he has done it.

It is however, equally true that nearly every time Ford has ventured outside his own peculiar field, and certainly every time he has attempted to pronounce moral judgments in the field of international affairs, he has made himself a laughing-stock.

Sometimes, as in the peace ship fiasco, his naive eccentricities do little harm. Sometimes, as in respect to the manufacture of airplane engines for Great Britain, he makes decisions that are harmful. If Mr. Ford's River Rouge plant is safe from destruction today it is because the British Navy remains intact. If it continues to be safe it will be because the R.A.F. (with or without Mr. Ford's engines) sees to it that Hitler does not win the Battle of Britain. Mr. Ford's decision was not just an immoral decision; it was a very short-sighted one to be made by a man of genius.

* * *

His own son could have told him that; or his chief engineer. His former production chief, William S. Knudsen, who gave him the order, could have told him as much.

Moreover, his business associates throughout the Empire could have told him that he was being very foolish and very unjust. In Canada, the company that bears Mr. Ford's name, but that was founded by a Canadian and is owned to a very considerable degree in Canada, has made all its resources available to Britain and Canada for war manufacture.

Ford of Canada is making army trucks, mechanized transport vehicles, machine gun carriers and other war equipment. Mr. Ford's Canadian president gave up several months of his time to organizing Canada's war supply.

* * *

The far-flung Ford organization in the British Empire is leaving nothing undone to aid Britain in her hour of acute emergency.

Mr. Ford may not realize it, but what they are doing is helping to make the world a safe place for men of inventive genius and ideological individualism—men, in fact, like Henry Ford.

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VICE-PRESIDENT

William Carswell, C.A., has been elected a director and vice-president of the Northern Electric Co., succeeding J. D. Hathaway, who has resigned after 50 years service with the company. Mr. Carswell was formerly comptroller of the company. He is being succeeded as comptroller by D. M. Farish, C.A., formerly assistant comptroller.

Exchange Tax All-Inclusive

Long List of Exemptions Found to be of Negligible Importance

Broad and inclusive nature of the new 10% exchange tax, applying to all imports not entered under the British preferential tariff, is intensified rather than abated by the long list of exemptions from the tax. Despite an impression in some quarters that the exemptions limited the effect of the tax, study of the list makes it plain that the tax will apply to all imports but items of special character or negligible importance.

Practically all the items exempted are ordinarily admitted free under the regular customs tariffs. The new tax, it is evident, was designed as a rigid and comprehensive levy that could be avoided only by importers of such special status as incoming settlers, diplomatic representatives, circus and exhibit owners, and persons engaged in scientific or literary research.

Typical items on the list of exemptions are:

Materials for construction of bridges or tunnels across the United States boundary, when similar articles are admitted free under similar circumstances into the United States.

Philosophical and scientific apparatus, utensils, instruments and preparations; maps, photographic reproductions, casts as models, etchings, lithographic prints, charts and mechanical equipment of a class or kind not made in Canada.

Animals and articles brought into Canada for exhibition purposes for a period not exceeding three months under bond.

Goods forming part of foreign exhibits in every exhibition to which the international convention relating to international exhibitions applies.

Apparel and personal and household effects of British subjects dying abroad but domiciled in Canada; books, pictures, family plate, or furniture, personal effects and heirlooms left by bequest.

Settlers' effects, wearing apparel, household effects, motor vehicles up to a value of $1,000, implements, livestock, etc.

Articles for personal and official use of representatives of Empire and foreign countries.

Imperial Government military stores.

Goods produced or manufactured in Canada being returned here after having been exported, provided they have not been processed. Such goods must be returned within five years of having been first shipped abroad.

Fish caught in vessels registered in Canada or owned by Canadian residents and the products from the fisheries in such vessels.

Public Budget Reaction Meets Ottawa Hopes

Acceptance of Heavy Tax Burdens With Willingness to Sacrifice to Win War is Gratifying to Government Officials

From Our Own Correspondent

OTTAWA.—Providing clear evidence of the new mood of determination with which Canada faces its war problems, the reception won throughout the country by the Ralston billion-dollar budget has measured up to the best expectations of government leaders. In the history of Canadian budgets, the 1940 budget has raised the most striking paradox, for it imposed the greatest sacrifices upon the country and at the same time it has been received with the smallest number of kicks.

Win-the-War Spirit

Evidence that a determined spirit of win-the-war sentiment is abroad in the country, especially in view of the grim reports from the actual fighting fronts, constitutes the most important news from the home front that has followed the budget. For at this stage, the war effort must necessarily draw strength from deep psychological reserves of which willingness to face steep tax boosts and contemplate vast governmental expenditures is but the outer symbol.

Within parliament, budget reactions have been uniformly favorable, except in the Social Credit corner where no opportunity is missed to cry for monetary reform even in the hour of crisis. Joseph H. Harris (Cons. Danforth), who undertook the role of opposition critic, keynoted parliamentary reaction when he said: "Winning the war is all that matters, all that ever mattered." The Conservative financial critic offered no amendment to the budget motion. The Canadian people, said Mr. Harris, are geared up to the idea of paying more, they are anxious to do all they can and will cheerfully do all they can.

Still Higher Taxes

Parliament is getting ready for even higher taxes in the near future. Mr. Harris advocated cutting down exemptions to the income tax, cancellation of sales tax exemptions, and imposition of taxes on liquor, vegetable oils and gasoline. Speaking for the Co-operative Commonwealth opposition, M. J. Coldwell offered an amendment for the imposition of a 100% tax on excess profits, "in excess of a fixed return on capital invested." He suggested 5% as a figure for permitted profits.

Behind the suggestions for new taxes lies the deeper problem of financial stability centring on the issue of how much to tax and how much to borrow. The point to be calculated is where the government may run into the margin of credit exhaustion and push on into the field of inflation.

The basic calculation, it is indicated, in new taxation in the near future will be the rise of national income, for the government will inevitably seek to capture more and more of the new income that is created by war conditions.

Agricultural Immunity

The Ralston budget did not rest heavily upon the farmers. Reasons for this caution toward a large class of the population begin to emerge more clearly. Agriculture, as the chief export industry of Canada, is facing the greatest external pressures as former markets disappear and new difficulties arise almost daily. Starving Europe will present new demands upon Canada's food-producing industry as soon as the war ends, but in the meantime food stocks in this country are rapidly accumulating. Only peace can draw the key log from this economic jam it is believed at Ottawa.

Trend Toward Compulsion

Of greater long-range significance for Canadian business in present financial policies at Ottawa is the trend toward the compulsory state. This trend, which started slowly in the early stages of re-armament, has begun to march forward steadily and more rapidly. Reception accorded the Ralston budget afforded striking demonstration of the powers of resilience and flexibility inherent in Canada's economy. Fiscal powers are only one aspect of the extension of control over the economic life of the individual and the business organization.

On Parliament Hill the drive toward self-sufficiency, or economic nationalism, or totalitarianism in the field of economics, or whatever one may call it, has the upper hand as a result of the war.

Visit to Canada Urged As Help to Allies

The American Banker for June 29 includes a 12-page travel supplement on Canada, under the subtitle "1940 Invitation to Canada."

In the leading article the editor, C. B. Axford says: "The most concrete expression of sympathy which a citizen of the United States can make today toward the Allied cause, short of outright gift of money or services, would be a visit to Canada as a sightseer or vacationist." The money so spent, he adds, will be used in large part to meet Canada's expenses in the fight for the joint ideals of the two countries.

The issue is well illustrated with pictures from different parts of the country and includes articles by a number of prominent Canadians.

Chain Store Levy Cut in Quebec

Expected Favorably to Affect Many Companies, Chiefly Dominion Stores

Legislation modifying business taxes of chain stores operating in Quebec is likely to benefit a number of companies.

Provincial legislation has been passed holding the tax to the lower of $200 per store or double the tax on independent stores engaged in the same line of business. Formerly each municipality had its own regulations, and the tax ranged to as high as $1,000 per store.

Dominion Stores is one company in which there is considerable public investment interest and is likely to receive most benefit. This company is understood to have paid annual business tax of $50,000 on its Montreal stores. This figure may be substantially reduced.

Other companies likely to be benefitted are Agnew Surpass Shoe Stores, Thrift Stores and Metropolitan Stores.

Tax on Wages Creates Snags

(Continued from page 1)

week basis. He will estimate the maximum the individual concerned could earn in a short period such as one day or a week or even a few days without having to pay the income tax.

Thus a man entitled to $600 exemption would be entitled to $2 a day without paying tax on the basis of a year of 300 working days. If he were paid at a higher rate for any period the employer would have to deduct the amount of the tax. If at the end of the year it were found he had not earned $600 and that therefore his whole income was exempt from taxation, the amount collected by his employer and paid to the Government would have to be refunded.

The adjustment would be made at the end of the year when the employee would make an income tax return and file an application for refund.

Case of Servants

Then there is the case of the case of the private individual who employs a chauffeur or a cook on a regular salary. In such cases the employer could deduct the amount of the tax but the employee would also report the tax deducted at the end of the year on the income tax form, which will act as a check on the employer.

So far business firms are trying first to tabulate the different forms of employment in their organization on a salary, wages, commission, full time, part time, etc. As each case comes up they are asking for rulings. In general it would appear that while the employer may act as collector up to a certain point, the year-end return will be the final word as to the amount to be paid in to the Government.

Powers Assumed Over War Supply

(Continued from page 1)

tries" are still fresh in the minds of most Canadian executives. In this war, the Canadian Government has been using various means to assume the capital risks involved in converting or extending plants for special war production work which in nearly every case must halt on the cessation of hostilities.

The Government, for instance, has been in some cases paying for plant expansion, buying special machinery and otherwise assuming the capital burdens.

Centralized Buying

Citadel Merchandising Co. is to undertake the job of ensuring a steady flow of machine and other equipment for Canadian industry. Centralized buying of such machinery will permit making best use of the very limited supplies of such machinery available.

It would permit, for instance, acquiring and distributing among Canadian industry the machine tools now on order in the U. S. for Great Britain, as urged to The Financial Post by many industrialists and reported in recent weeks.

The company is fully owned by the Government and will operate on a non-profit basis with offices in Montreal. It will have representatives in Ottawa and New York. A comprehensive plan covering all manufacturers of machine tools in Canada has already been worked out and all Canadian makers of tools will be expected to co-operate with the Citadel concern. Mr. Howe retains direct supervision of the project.

Directors are:

President, Thomas Arnold, chairman of Commercial Alcohols Ltd. and Manitoba Steel Foundries Ltd.

Vice-president, L. J. Belnap, president, Consolidated Paper Corp.

J. D. Johnson, president, Canada Cement Co.

C. E. Gravel, director, Bell Telephone Co. and a former member of the War Supply Board.

F. K. Morrow, chairman of Wilsil Ltd. and a director of a number of other companies.

Federal Aircraft

Federal Aircraft Ltd. has been organized to rush production of 1,509 Avro Anson aircraft. Directors are:

President, Russell P. Bell, Halifax, of Pickford and Black.

Directors: Blair Gordon, president, Dominion Textile Co. Ltd.

Sydney Dawes, Atlas Construction Co.

Russell Smith, Canadian Industries, Ltd.

Allen A. Aitken, Price Bros. & Co. Ltd.

The Ansons will be built in nine Canadian plants. They are a twin-engined bomber-type craft especially useful in training, but have been used by the Royal Air Force in France in recent weeks when the need for machines was crucial. The Ansons were to be sent here by Britain as part of her contribution to the Empire Air Training Plan. Only wings and tails were to be manufactured in Canada.

The British embargo on airplane parts cut off this supply and the complete machines are to be built here and fitted with United States motors.

The Hon. Mr. Howe has announced that airplane production in Canada will make it possible for Canada to carry on alone the air training plan and to meet the double-speed ahead schedule. The Minister is reported to have indicated that the Government might intervene in the production of still other military aircraft in this country.

Montreal Wields Axe On Payroll List

From Our Own Correspondent

MONTREAL.—First evidences of action in reduction of administrative expenses has been given by the City of Montreal in the dismissal of 100 employees of the city identity card office. This represents a saving to the city of about $2,000 weekly in salaries, it is estimated. The reduction is made possible by provision of the Montreal bill that identity cards are no longer required for voting. Now only relief recipients and civic employees need the cards.

Algoma Steel Net Tripled

Sales Gain of 57% Brings Profits to $1.62 a Share

Sales of Algoma Steel Corp. in the year ended April 30, 1940, reached $16.3 millions, a gain of $5.9 millions over the preceding year, or 57.24%. As a result of this jump in volume of business net profits are more than three times as great as in the previous period and well above any previous year of the present company's existence.

Dividends on the 5% preference became cumulative from Jan. 1 of this year and the initial payment of $1.25 a share was made May 15. Funded debt outstanding has been reduced through conversion of series A bonds into common stock and maturity of $200,000 of the serial bonds. Another $200,000 of serial bonds matures Nov. 1 of this year.

Net additions to property, plant and equipment in the past year required $1.4 million. In addition to this $1.2 million was advanced to Algoma Ore Properties, the subsidiary which is operating the New Helen mine.

Balance Sheet Changes

	$	$
Cash	149,353	544,108
Receivables	2,521,791	1,645,438
Inventories	5,231,918	4,084,867
Bank loan	2,372,000	165,000
Advs. to subsids.	1,832,118	607,100
Prop. & equipment	18,911,502	17,541,910
Less: Depreciation	2,785,028	2,118,894
Funded debt	2,714,000	3,000,000

Algoma Ore Properties began operations in July, 1939, and to the end of April produced 122,964 tons of sintered ore.

The sintering plant was originally designed to produce 1,500 tons daily with three machines but it is actually handling more than this quantity with only two machines operating. The ore is proving more readily sinterable and the grade higher than estimated.

The annual meeting is to be held in Sault Ste. Marie, July 15.

Income and Surplus Account Years Ended April 30

	1940 $	1939 $
Sales	16,264,821	10,344,238
Less: Sell., ship. exps., etc.	391,285	297,378
Cost of products sold	14,077,878	9,086,206
Operating profit	1,795,658	960,671
Add: Other income	104,767	22,329
Total income	1,900,425	983,000
Less: Int on loans	86,942	62,771
Bond interest	132,247	[illegible]
Depreciation	283,163	224,848
Income taxes	335,000	36,909
Net profit	780,340	227,432
Less: Pref. dividends	[illegible]	
Surplus for year	753,731	227,432
Add: Previous surplus	1,600,424	1,372,992
Surplus forward	2,353,145	1,600,424
*Includes Excess Profits Tax provision.		
Earned Per Share:		
Preference	$35.44	$10.33
Paid	1.20	nil
Common	$ 1.62	$ .09
No dividends paid.		
Shares o/s.:		
Preference, $100 par	22,015	22,015
Common, n.p.v.	412,700	407,340
Current assets	8,030,313	6,312,795
Current liabilities	4,012,778	[illegible]
Working capital	4,017,535	3,029,087

Bond Redemptions

Bond Issue	Rate	Year	Due	Price
J. B. Stetson (Can.)	7%	1943	Aug. 1	103

Bond Tenders

11 a.m., July 4, Town of Mount Royal, P.Q.—$150,000 4 to 4½ per cent, due May 1, 1941-50, for local improvements.

Winnipeg Electric Earnings Better

Net for May and First Five Months Gains Moderately

From Our Own Correspondent

MONTREAL.—Earnings of Winnipeg Electric Co. during May and the five months period ended May 31 were moderately better than those of the corresponding periods in 1939. In May net earnings increased by $16,308, or 7.3%, to $243,607. For the five months earnings were $46,708, or 3.5% to $1.4 million.

Below are comparative earnings figures for May and the five months to May 31:

Earnings Statement

	1940	1939	Inc.
May:			
Gross earns.	588,068	552,147	35,921
*Oper. exp.	345,461	324,848	20,613
Net earns.	243,607	227,299	16,308
Five Months Ended May 31:			
Gross earns.	3,123,761	2,986,900	136,861
*Oper. exp.	1,759,096	1,669,043	90,053
Net earns.	1,364,665	1,317,957	46,708

*Including taxes.

C. A. A. Denies Report Ord's Resignation

From Our Own Correspondent

MONTREAL.—Reports that Lewis C. Ord, general manager of Canadian Associated Aircraft, is leaving the organization lack official confirmation. When the C.A.A. was organized in Sept., 1938, to manufacture Handley Page bombers for the British Government, Mr. Ord was brought out from England to take charge of the technical direction of the firm. Since then he has been forth to England. He also took part in the establishment of the C.A.A.'s counterpart in Australia.

Internat. Paper Plans Refunding

(Continued from page 1)

have assumed the obligation of the Hudson River Corp., formerly International Hydro-Electric Corp., and International Hydro-Electric System subsidiary.

Hudson River Power will raise funds for the redemption of these bonds and of $335,000 6% refunding mortgage bonds of Ticonderoga Pulp & Paper Co. by sale to International Paper Co. of $8 millions of 3½% first mortgage sinking fund bonds due 1958 and $7 millions of 4% second mortgage bonds due 1962.

The registration statement indicates that the first mortgage will be resold to insurance companies privately and that the second mortgage bonds will be held by International Paper.

International Paper Co.'s funded debt will be greatly simplified by this refunding operation. The only debt of International Paper and its United States subsidiaries will be the $32 millions new first mortgage bonds, $12 millions serial notes and a few minor divisional obligations.

Bonds of Canadian subsidiaries will remain undisturbed.

In view of the present unsettled market conditions it is understood that the offering date has not yet been set. The company and the underwriters felt that it is advisable to file the registration statement in order to facilitate the offering of the new bonds to the public promptly whenever the necessary governmental approvals have been obtained and market conditions permit.

Arbitration Body Hears Aircraft Workers' Plea

MONTREAL. — The arbitration board headed by Mr. Justice M. B. Archibald, of the Supreme Court of Nova Scotia, has begun hearings on the dispute between about 600 workers in the aeronautical departments of Canadian Vickers Ltd. and Canadian Car & Foundry Co., and the companies concerned. Wages and working conditions are involved.

Cartel Plan Meets Varied Difficulties

(Continued from page 1)

Americas is now regarded as impracticable, as in fact not more than a very few of them could ever be brought under such centralized control. It would mean the extension of crop control to all the Americas and the setting up of a completely artificial economy throughout the western hemisphere.

The cost to the United States—self-elected banker for the deal—was originally estimated at some $200 millions annually. A closer look at the project suggests that $500 millions would be a minimum requirement and that a similar sum would be required for 10 years. Even here there is still some feeling that our financial resources are not unlimited.

Practical difficulties in "selling" the idea in the South American countries have finally become apparent. The Fascist or Nazi sympathies rampant at least in the Governments of many of them are regarded as making it impracticable for the United States to undertake to tell them what its trade policy must be.

Montreal Stock Sales Hit Low Point in June

From Our Own Correspondent

MONTREAL.—Volume of trading on the Montreal Stock Exchange and the Montreal Curb Market declined sharply during June, with industrial turnover at its lowest point since September, 1934, and mining volume since June, 1932.

Last month 298,493 industrial shares were traded, a decrease of 69.9% under the previous month. The current figure compares with the previous low record of 367,379 shares in September, 1934.

Mining turnover last month totalled 200,394 shares, and compared with 1,016,110 shares in June a year ago. The previous low point was established in June, 1932, when 148,-998 shares changed hands.

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

	Date Issued	Sold to	Rate	Due	Amount	Price	Yield
Dominion— Canada Treasury Bills	July..			Oct. 1/40	$25,000,000	99.819	.731%

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

	Date Issued	Offered by	Rate	Due	Amount	Price	Yield
Bond Issues— Chretiennes School Brothers of Ontario	July..	Dube Leblond & Co.	4%	1941-49	$100,000		
			4½%	1950	255,000		

MR. CHURCHILL

London Calling

by Atticus

Prime Minister Churchill's First Full Length Speech Makes Deep Impression

DUKE OF ALBA

LONDON.—The principal recent event on the political front was Mr. Churchill's first full-length speech as Prime Minister. Since his elevation to the position of supreme authority he has had no time and few opportunities for more than pronouncements of a few hundred words. In these he avoided any attempt at color or imagery. Indeed, one feared that the stylist had been left behind at the Admiralty as unsuitable for Downing Street.

However, on this one occasion, Mr. Churchill let himself go both in length and eloquence. The German attack became "a scythe-like movement," and we saw the descendant of Marlborough living over again those fateful hours that turned Allied disaster into a triumphant retreat. His voice was strong, and his whole bearing gave the impression of abundant and well-directed vitality. More than once he went out of his way to acknowledge the authority of Parliament over the Government and showed that, despite his excursions into eloquence, he had carefully planned his points.

It was a brave and finely delivered speech, exactly suited to the British temperament, and yet, oddly enough, it was not too well received by the foreign diplomats present. Mr. Churchill pictured the extreme and unlikely event of Britain being overrun and the Empire, with the British Fleet, carrying on. That to a foreigner must not be thought, much less said.

Such is their attitude, and we all ought to be proud of it. The poignant force of Mr. Churchill's peroration lay in the art in which he set British determination never to yield against a background of enemy successes. He does not believe in those successes, but if they came, the fight would still go on.

* * *

Noble Casualty

Few men met life with a gayer heart or a stronger sense of duty than Major the Earl Erne. He liked the morning because it brought the sun, and he liked the night because it was the night. He liked men and women because they were fellow adventurers with him in the game of life.

Even his death at the front was due in some degree to his zest for experience and sense of comradeship. Having raised a regiment, the North Irish Horse, he had succeeded in having himself attached to the 12th Lancers in France for a month's training experience in order to be better equipped to carry on his duties as second in command of his regiment.

That month was nearly completed when the Germans attacked Belgium and Holland and the 12th Lancers were ordered to move into the Low Countries. Lord Erne refused to turn back, and insisted upon staying with his new companions.

He was only 33 and succeeded to his grandfather's title in 1914, his father, Viscount Crichton, having been killed in action.

* * *

At the Embassies

These are anxious days at the embassies and legations in London although the extent of the anxiety naturally varies with the relative positions of the countries concerned in relation to the war. Baron de Cartier de Marchienne, the Belgian ambassador, labors by day and night to retrieve what he can from the wreckage of his country. While he loyally acknowledges the Belgian Government as the authority for Belgian affairs, he takes no part in the condemnation of King Leopold. "We must look forward—not back," he says.

Lunching at the Spanish embassy last week I found much encouragement in the attitude of our host the Duke of Alba and one of the half-dozen guests, Hassan Nashaat Pasha, the Egyptian ambassador. "Spain does not want war," said the Duke of Alba. "She has had enough of it. But she will fight against any nation that challenges her neutrality."

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Quebec Lottery Linked To Irish Sweepstakes

Apparently linked with the one-time promoters of the Irish Hospital Sweepstakes, operators sponsored by the Provincial Society for Assistance of the Blind, Montreal, have been attempting distribution of sweepstake tickets reportedly issued to a total of $4.5 millions. Described as a "million dollar sweepstake," and said to be offering at least $500,000 in prizes, the enterprise is understood to have allotted all but $500,000 of the $1 tickets to the U.S.

The draw is slated for July 19 on a race in Chicago July 20.

As far as can be learned, offering of the tickets has not quite measured up to the promoters' hopes, though enquiries about the scheme have come to public officials and others from as far away from Montreal as Portland, Oregon. For one thing, the post office department has been tightening up its precautions against use of the mails for such illegal purposes as sweepstakes and other lotteries, and this is believed to have been directed at least partly against the Montreal promoters.

Society Little Known

From limited information available, the Provincial Society for the Assistance of the Blind has sponsored other sweepstakes, lotteries and draws, though on a smaller scale, during the past several years. Sources in close touch with charitable and educational work among the blind profess to have no knowledge of any work benefitting the blind that has resulted from these operations, though there is no evidence of any substantial revenues being received.

There is no record of any organized effort to assist the blind, and no sign of anything more than distribution of small sums to blind persons here and there.

Worldwide operations of the Irish Hospitals Sweepstakes were suspended after outbreak of the war, though at latest report plans were under consideration to continue on a more modest scale. The present project of the Montreal group suggests effort is already being made to tap the U.S. sweepstakes market the Irish organization found so fertile.

Use of Name Sold

The Society's sponsorship of the sweepstake is based on a contract between it and Alliance Agencies Ltd. This concern was incorporated in Quebec March 7, 1940 for the avowed purposes of acting as financial agents and assisting charitable organizations to raise money. The contract allows use of the Society's name in return for royalty of 60 cents on every book of tickets sold—a book containing seven $1 tickets.

There is some evidence to support the belief that interests associated with operators of the Irish Sweepstakes are identified with Alliance Agencies. When the letters patent of this concern were registered in Montreal in April, the name of Sydney Freeman was listed as secretary-treasurer.

Linked to Irish Group

Observers of past operations of the Irish Hospitals Sweepstakes will recall that in advance of every draw an agent giving his name as Sydney Freeman appeared in New York to buy in at a discount tickets which, when the draw was made, appeared likely to win major sweep prizes. Ostensibly he acted in such deals either as an independent agent or as representing the English betting commissioner firm of "Duggie's." Actually, there is reason to believe he acted as agent if not an associate of the Irish Hospitals Sweepstakes syndicate.

Freeman's name did not appear in the original gazetting of the issue of a Quebec charter to Alliance Agencies Ltd. The names of the incorporators then listed were given as Jean Moquin, France Moquin, and Thomas Paish, all identified as salesmen, of the City of Montreal. Capital was stated to be $5,000.

Warnings regarding the attempted distribution of sweepstake tickets, and specifically citing the Provincial Society for Assistance of the Blind, have been issued in recent weeks by both the Toronto and Montreal Better Business Bureaus. In each case, it was pointed out that the criminal code and postal regulations prohibit sweepstakes and other lotteries, and that not only distributors but purchasers are liable for penalties.

In addition, the Montreal bulletin reported that the Provincial Society was "a small local organization which, while actively engaged in the collection of funds, failed, until recently, to furnish financial statements and details of their activities, or even to reply to letters requesting this information." An official of the Society is quoted as stating that "well-recommended" lottery promoters named "Harris" and "Jones" had been given permission to use the Society's name in connection with the sweepstake.

Expect "Toleration"

The Montreal bureau further reports that the Society official "could or would not furnish additional information," and adds:

> "When our representative pointed out that lotteries were prohibited in Canada, the Society official stated that they were aware of this fact but expected that their sweepstake would be 'tolerated,' but by whom he did not say. Police authorities, who evinced great interest in our report, have been given full details . . .

Provincial Matter

Whether or not the Society is liable for operations by promoters using its name, is a question for Quebec law authorities and police to determine. Actual suppression of lotteries is left to provincial jurisdiction. In Ontario, police have been active in regard to lotteries in recent weeks and two men arrested in Ottawa are now awaiting trial.

To date, however, no action appears to have been taken against the Montreal operation by either Quebec provincial or local police.

About a year ago, a lottery or draw was operated under the Society's name for a power boat, the proceeds to be used for "building an asylum for the aged and travelling blind; an intellectual centre for blind children; and a dispensary for prevention of blindness." Authorities on work for aid of the blind have no knowledge, they say, of any such establishments having been erected.

The Home Front

Mayor's Fund

With billboard space, radio time, and publicity effort being contributed in increasing volume, momentum is being gained by the Mayor of Toronto War Fund, established by the city administration as a channel for voluntary subscriptions to supplement Canada's war effort and buy essential war equipment for Britain and the Empire. In the neighborhood of $30,000 has already been donated, chiefly from the Toronto district but also from other parts of Canada and from the United States.

All contributions are being passed along for the stated purpose in their entirety, without deductions for overhead, advertising, etc. Administrative and clerical work in connection with the raising and transmission of the fund is being handled by members of the mayor's staff and other civic employees, and a firm of chartered accountants is auditing and supervising expenditures.

Contributions are being received at the Mayor's Office, City Hall, Toronto.

Quebec Sales Tax Unified

Province Takes Over Municipal Levy As From July 1

From Our Own Correspondent

MONTREAL.—Quebec provincial and municipal sales taxes were combined into one operation in the Montreal metropolitan area and Quebec City on July 1.

Under the new setup residents in the Montreal metropolitan area and Quebec City will pay 4% sales tax, while outside of those areas residents of the province will pay 2% tax. All revenue goes to the province, with a proportionate rebate to Montreal and Quebec City.

In the Montreal metropolitan district, if merchandise sold goes out of the taxing area, only 2% will be collected on behalf of the province, whereas if the goods go outside of the province entirely, there will be no tax collected.

Consolidate Operations

An important feature of the agreement reached between the province and the cities of Montreal and Quebec is that in future the vendors, who have been collecting agents for the municipalities, will under the new setup receive a compensation of 2% on the amount of sales tax they collect instead of 5% as at present.

Eventually the province will absorb in entirety the sales tax organizations of Montreal and Quebec City. As the province-wide levy came into force on July 1, however, the provincial system was not fully organized, and the municipal staffs will direct the combined operations for the first month.

The Post-Bag

Hot Letter

A. J. Denne, Toronto advertising executive, has written a scorcher of a letter to Representative Lewis D. Thill of Milwaukee, Wis., who recently broadcast over a national network in the U. S. under the title, "Keep America Out of Foreign Wars."

Mr. Denne has republished his letter in a little leaflet. In it he told Herr Thill a few things about the real interest of the U. S. A. in this war. If you like caustic letters, ask Mr. Denne for a copy of this one. If your taste runs to the "winning smile" type of letter, don't send for it. It will annoy you.

* * *

Revised Version

Here is a new version of the old "ism" joke that was popular two or three years ago. We don't know its origin.

Socialism: If you have two cows, give one to your neighbor.

Communism: If you have two cows, you give them to the government, and the government then gives you some milk.

Fascism: If you have two cows, you keep the cows and give the milk to the government; then the government sells you some milk.

New Dealism: If you have two cows, you shoot one and milk the other. Then you pour the milk down the drain.

Nazism: If you have two cows, the government shoots you and keeps the cows.

Capitalism: If you have two cows, you sell one and buy a bull.

* * *

Not in Canada

"TWO GREAT REASONS WHY WE MUST KEEP OUT OF THE WAR."

That is the bold-faced headline on the front of a recent cover of Liberty. But it was only on the American edition. The special edition prepared for Canadian consumption left that particular article out.

* * *

"There'll Always Be An England!"

This song which has been sweeping the Empire and now has become the theme song of the British war effort has been heard, too, in the United States. A large Chicago industrial firm ends all its letters to Canada with a red ink postscript: "There'll Always be an England!"

The publisher, Gordon V. Thompson, Toronto, is willing that Canadian firms should copy this idea. He tells us that many Canadians have been buying copies of the song to send to friends in the United States.

* * *

Social Dynamiters

Ever meet a "fifth columnist"? A couple of years ago, in Germany, a member of The Financial Post staff missed his bus, climbed into a chartered bus headed in the same direction and found himself with 30 or 40 men and women—all Nazis—from the Eupen-Malmedy district of Belgium. They were on a visit to Germany, being entertained—and instructed. They were a nationless type—neither wholly German nor wholly Belgian. All were rough, tough and wiry, hard-skinned, ruthless adventurers; social dynamiters, to whom personal risk meant nothing if there was a chance for excitement along with it.

* * *

Period Gone Wild

A contemporary publication has run into one of those difficulties which cause or at least are said to cause editors to take to drink.

In a contributed article the author referred to the selling price of an item being $1.555 on which a 10% profit had been made. The profit on the item appeared in print as .154 cents. The author wrote to the editor and a correction appeared in the next issue. The error was attributed to the proofreader and it was said that the profit should have been 1.55 cents instead of .154 cents.

* * *

McPhail on Sapiro

Enshrined as the apostle of co-operative wheat marketing in western Canada is Aaron Sapiro. But what did the inner wheat pool group think of him? The truth is now out with the publication of the McPhail diary. Said McPhail to his daily journal:

> "I am very much afraid Sapiro will bust up this organization yet. . . . He brings discord and dissension wherever he goes. With him, Sapiro is first and last."

* * *

Idealists

A Canadian business executive remarked last week:

> "We in Canada have never sufficiently understood the truth that in the American people there is a deep strain of idealistic. We have jeered at their 'dollar materialism.' But their idealism is stronger than their materialism. That will ultimately determine their course in this war."

* * *

Tip For Summer

To get away from the war for a moment, here's a tip from the Ontario Motor League. If you are not sure of the water at your summer camp, boil it. That will give it a flat taste, because the oxygen has been boiled out. To restore the oxygen — and the taste — pour the water back and forth from one vessel to another. Cool it, and it will taste O.K.

* * *

So Affectionate

Josef Stalin (né Dzugashvili) likes candy. This we have on the authority of Mrs. Eileen Bigland, English writer. Once she was commissioned by Stalin's mother to take a box of home-made candy to little "Soso." Said Stalin's mother, Soso was really a very wild and naughty boy. He used to steal horses to sell, "but he had a most affectionate nature. He was so dutiful about running errands," Stalin's mother told Mrs. Bigland.

Mrs. Bigland, who has spent a lifetime studying Russia and Russians, tells the life of Stalin in "The Riddle of the Kremlin," published by Collins, Toronto, as a paper-bound book at 20 cents.

* * *

Women Workers

What Canadian women are doing to help along the war effort is tremendous. Clicking knitting needles are just the start of it. Hundreds of women, for instance, including many who have for many years lived lives mainly of leisure, are working long hours in hot dusty warehouses, packing Red Cross goods.

A typical example is the president of the Junior Leagues of Canada at a washtub, suds flying as she launders woollen socks.

War Tax Levy May Affect Savings Certificate Sales

From Our Own Correspondent

MONTREAL. — Early indications are that the sharp increase in Dominion personal taxes may have an equally sharp effect on the sale of war savings certificates. The new rates on income tax have been mainly directed against the small wage earner and the person usually classified as "middle class." Further, the defense tax has an immediate effect on the same group of taxpayers.

The war savings certificate was developed especially by the Government to appeal to people in this class, just as the first war loan also was directed toward the savings of the same group.

Many wage earners have voluntarily subscribed for fixed monthly amounts of the certificates. With the new taxes it becomes increasingly difficult, if not impossible, to maintain these payments. Hence there is a very fair prospect of a considerable number of cancellations of regular subscriptions.

Enquiries among some of the large corporations here bring the information from one large company, employing several thousand workers, that the money now being subscribed by the employee for certificates will be diverted largely toward meeting the new taxation made necessary to carry on the Government's war effort.

C. P. R. Income Report Shows Rise of 52%

From Our Own Correspondent

MONTREAL. — Canadian Pacific Railway reports increase in gross traffic earnings of $1.1 million or 52.2% in the week ended June 21, compared with the same week one year ago. Gross earnings for the week amounted to $3.4 millions, against $2.4 millions in the same week last year.

Cumulative gross income in the year to June 21 totalled $70.7 millions, an increase of $12.1 millions, or 20.5% over the corresponding period of 1939.

Increase of $1.6 million or 45.9% is reported by Canadian National Railways in gross income for the week ended June 21, compared with last year. Gross income in this week was $5.1 millions, compared with $3.5 millions in the same week last year.

Cumulative gross income to June 21 totalled $107.1 millions, an increase of $24.3 millions, or 29.3% over the corresponding period last year.

SCHOOLS AND COLLEGES

TRINITY COLLEGE SCHOOL
A Boarding School in the Country, for Boys
FOUNDED 1865
Tradition and Progress
PORT HOPE ONTARIO
Established for Seventy-five years.
Separate Junior School for boys under fourteen.
For full information please write to
PHILIP A. C. KETCHUM, M.A., B.Paed., HEADMASTER
Michaelmas Term begins on September 11th

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FOUNDED 1899
An exceptional boarding school for boys
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Book of Views on request
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A Residential and Day School for Girls
Junior and Honour Matriculation—Kindergarten and Junior School—Art—Music—Household Science—Secretarial Course—Swimming Pool—Skiing at School Farm.
School re-opens Sept. 11th
For illustrated calendar write the Principal
MISS EDITH M. READ, M.A.

Your overseas messages should be marked:
"Via Imperial"

NOW YOU CAN SEND a message across the seas FOR AS LITTLE AS 72¢
From anywhere in
NOVA SCOTIA = NEW BRUNSWICK
QUEBEC = ONTARIO
to anywhere in
the BRITISH EMPIRE!

This new inexpensive cable service, Social Letter Telegram, inaugurated last year by "Imperial Cables", is available from Canada to all points in the British Empire.

A GLT must bear full postal address, must be entirely a social message (greetings, family news and so on), must be written in plain language and must have a clear meaning. Prepaid replies allowed.

What a thrill for a friend or relation of yours, now thousands of miles away, to get a birthday telegram from you, or a cheery message on some other special occasion.

GLT's will be delivered in conformity with rules for Night Letter Telegrams.

RATES: The rate for 12 words varies from 72¢ to $1.20 depending upon destination. Additional words in proportion.

Telephone your Message
Any C.P.R. telegraph office will take your message on the telephone. Make sure it goes at the lowest GLT rate, "Via Imperial". No longer need you say, "I'd love to cable greetings, but I can't afford it!"

. . . and sent through any C.P.R. telegraph office

KEEP IN TOUCH WITH FRIENDS OVERSEAS . . .

Yes! Craven 'A' never vary!
WILL NOT AFFECT YOUR THROAT • • IN PACKETS 25¢
CRAVEN PLAIN (Without Cork Tip) SAME FINE QUALITY AS CRAVEN 'A'
Carreras Ltd., London, England—150 years' Reputation for Quality

A FULL RANGE FOR MODERN BUSINESS
ENVELOPES of all types
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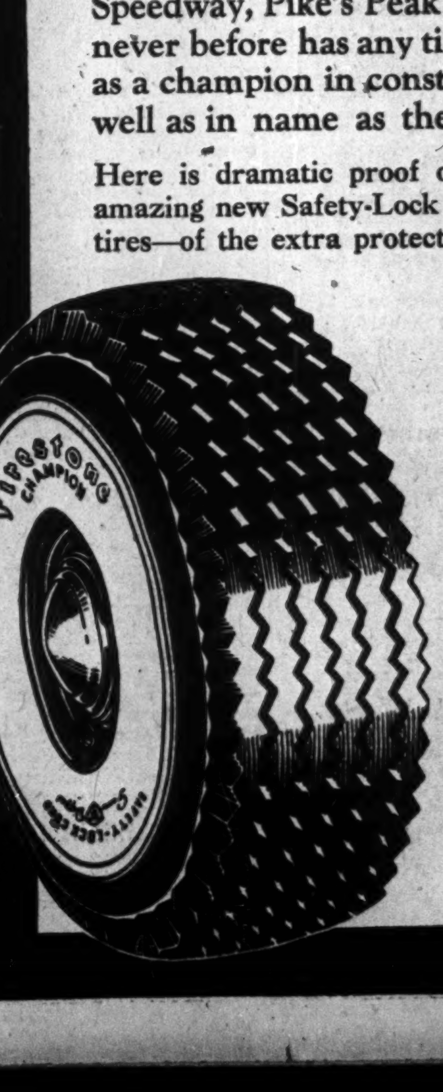
Safety Tested TO GIVE YOU LONGER AND SAFER MILES
at INDIANAPOLIS SPEEDWAY
at PIKE'S PEAK
at LAKE BONNEVILLE
For 21 years Firestone tires have been on the winning cars at the Indianapolis Speedway.
For 13 years winners in the daring Pike's Peak climb where a slip means death.
290 speed and endurance records won by Ab. Jenkins on Firestone tires.

Firestone CHAMPION TIRES

AT NO other places in the world are tires put to such torturous tests as at the Indianapolis Speedway, Pike's Peak and Lake Bonneville. And never before has any tire so firmly established itself as a champion in construction and performance as well as in name as the new Firestone Champion.

Here is dramatic proof of the extra strength which the amazing new Safety-Lock cord body provides in Firestone tires—of the extra protection against blowouts assured by the new and advanced Firestone Gum-Dipping process—of the extra mileage resulting from the tougher, wear-resisting, new rubber compounds in the sensational new Gear Grip tread.

No longer can there be any question of which tire is safest. One tire—and only one—has these exclusive safety features—Firestone—the tire that has been tested on the speedway for your safety on the highway! Have the nearest Firestone Dealer put Firestone Champion tires on your car now. Specify Firestone when buying your new car.



Investment Trends

Stock Markets Near New Test Period

Wait For Next Shock of War News With Firm Prices, Low Volume – Profits Tax Curbs Earnings and Prices

Continuation of extremely inactive markets and lack of any important changes in prices have been the only feature of stock markets in the past week or two. Whether or not this indicates the end of panic liquidation or not should soon be clear. Ability of stock prices to stand up under renewal of war news, perhaps of a disturbing nature, will determine if declines of the past six weeks have really discounted the adverse war news.

Under ordinary circumstances a considerable period of firm prices accompanied by low volume of trading is considered a favorable omen by stock market followers. This is particularly so when such a condition follows a sharp decline such as we have seen recently. Low trading volume is illustrated by the fact that the New York Stock Exchange established a 20-year low for volume on July 2.

When the long-expected German attack on Great Britain materializes, stock markets here and elsewhere will likely have to withstand further shocks. Their ability to hold up under the strain may be regarded with some skepticism until the test has actually been faced.

* * *

Excess Profits

Realization that stringent excess profits taxes would be imposed has probably been an important factor in limiting stock market optimism since the outbreak of war. There was little argument against the fact that many industries would be operating at capacity because of great need for some product which they could make. The steel companies, the automobile companies, the textile concerns are some of those making equipment or materials which are essential to war.

But it was recognized that these companies would not be permitted to retain more than a moderate proportion of their earnings for themselves. In Canada, it was reiterated that Canada had adopted a pay-as-you-go policy for this war to the limit that such a policy was possible. Thus the stock markets were not disposed to be unduly optimistic in capitalizing earnings. There was no certainty as to what slice taxation would take. Nor was it certain what kind of readjustment would be necessary in the post-war period.

* * *

Stops U. S. Moves

Lack of stock leadership from the United States may have been largely due to the expectation that excess profits taxes would be imposed in that country even if it was not directly involved in the conflict. Now the U.S. is embarking on a defense programme that dwarfs anything attempted since the closing years of the last war. And need for revenues to pay the billions of dollars involved has brought a message to Congress from the President asking the enactment of an excess profits tax.

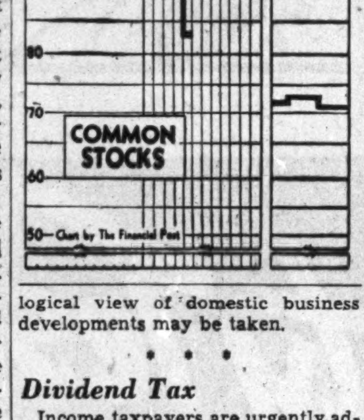
The U.S. had an excess profits tax enacted in March, 1917, a short time before that country actually entered the war. This tax, and other war taxes, are generally credited with halting the upward move of the stock market in New York which prevailed throughout 1915 and 1916. In that country, industrial earnings generally reached a peak prior to the entrance of the U.S. into the war. Recollection of this fact has probably played an important part in holding back any attempt on the part of the stock market to capitalize earnings from the prevailing high rate of industrial activity on a basis nearly approaching what could be expected in peacetime.

* * *

Faith in Canada

Common shares of strongly entrenched Canadian companies provide a high degree of safety and should have a prominent place in any long-term investment plan, maintains City & Dominion Co., distributors of Corporate Investors shares. "It is our opinion that, over a term of years, the income from sound equities will probably prove superior to cash or fixed income securities for the purpose of maintaining purchasing power."

This firm holds that drastic declines of the past month and a half have not been justified by underlying economic conditions on this continent, but were almost entirely due to psychological elements of fear and emotion. An encouraging indication that the hysteria phase may have worn itself out is seen by City & Dominion Co. in the resistance of stock prices in the face of adverse war news. This levelling out of the stock prices, accompanied by declining volume of trading, indicates that pressure of forced liquidation has lessened and that a more logical view of domestic business developments may be taken.



* * *

Dividend Tax

Income taxpayers are urgently advised to keep careful record of all interest or dividends received by them during the current year. The new budget imposes taxes on this source of income that make this imperative.

On all payment of interest or dividends on registered stocks or bonds a tax of 2% is being deducted at the source. This tax is payable on dividends declared and payable after June 24, 1940. It applies to Canadian residents only. Non-residents have to pay 5% tax.

Where interest or dividends are received from bearer shares or bonds, an adjustment for this tax must be made when income tax returns are made next April. It is for this reason that Canadians should make certain that their records of investment income are complete.

In addition to this 2% tax, Canadians must also pay a tax of 5% on investment income received in a currency at a premium of more than 5% in terms of Canadian dollars. This will actually apply chiefly to payments in U.S. funds and is a provision carried over unchanged from the former Income Tax Act.

Ford of Canada Enlarges Plant For War Jobs

Spending $700,000 on Machine Shop — 50% of Output to Army

Windsor plant of Ford Motor Co. of Canada is being extended to increase facilities for production of military equipment for the Canadian Government, Wallace R. Campbell, president, announces. Work is starting immediately on a programme costing $700,000.

The plant expansion consists of an addition to the machine shop which already covers 15 acres, to provide 109,440 sq. ft. of new floor space.

Mr. Campbell states that "the addition to our plant will be made available for the manufacture of Universal machine gun carriers for the Canadian Governments. We agreed recently to supply these vehicles at the rate of 50 a week as soon as possible."

Half Output For War

More than 50% of the company's production now consists of military units for Canada and other parts of the British Empire and the new expansion will increase this output substantially. The company is now supplying a total of 35,000 vehicles to the British Empire. Of this total nearly 10,000 is for the Canadian Government and 25,000 for other Empire countries such as South Africa, Australia and India.

In 1939 sales of all types of motor vehicles amounted to 62,544 units. The company's export business has represented 52% of the number of 42% of the dollar value for the past 10 years. The war has resulted in curtailment of much of this Empire export market but it now appears, as suggested some time ago by The Financial Post, that direct war equipment exported to Empire countries may offset any loss, at least for the current year.

Mr. Campbell cites in instance of the speed with which deliveries can be made. On May 1 a cable was received from an overseas Empire country enquiring how long it would take to ship 8,000 military trucks. The company was able to undertake to build and start shipping these units at the rate of 100 per day, the first 100 units to be delivered within three weeks and another 100 a day thereafter.

Emphasizes War Aid

Debate in the House of Commons recently on the refusal of the U. S. Ford Company to make aircraft engines for the British has brought a statement from Henry Ford to the effect that:

"The Ford Motor Co. of Canada, Ltd., at Windsor, Ont., and other Ford plants located in the British Empire are using their facilities to the utmost for the production of military equipment for the defense of the British Empire. They are serving their people as they should and I would do if permitted and if occasion required."

W. R. Campbell, president of the Canadian company, makes clear that all the facilities of the Canadian company, including affiliated organizations in Australia, South Africa, New Zealand, India and Malaya, are being used to contribute to the Empire's war effort.

"War orders," states Mr. Campbell, "take priority over all the production in our plant."

Investment Notes

Corporate Investors — Break-up value behind the common was $5.19 a share at June 15 this year compared with $6.66 a share at Dec. 29, 1939, and $6.32 a share at April 30, 1940. This decline is stated by the City and Dominion Co. to be well below that for stock market indices in Canada during the same period. Portfolio changes from Dec. 31, 1939, to April 30, 1940, include the following:

Portfolio Changes

Additions	Deletions
†Dominion Glass	*Building Products
Loblaw, B	*Noranda
C. S. L., common	*Dominion Bridge
Fanny Farmer	Goodyear, common
	Inter. P. & P., c.
	Bathurst, A
	MacLeod-Cockshutt
	C. S. L., 5/57
	Price Bros., 4/57
	*Canada Cement, pf.
	*Dominion Coal, pf.
	Can. Canners 2nd
	Inter. Metal, pref.
	United Fuel Inv., B

†Indicates additions to stock already held.

*Indicates reduced holdings but stock retained in list.

* * *

C.S.L.—More extensive operations and higher earnings are indicated for May, when the volume of traffic through the Welland and St. Lawrence canals was 25% greater than a year ago. In May, 1940, 3.1 million tons were handled, as against 2.5 million tons a year ago.

* * *

Canadian Marconi—An order for $72,529 of materials was placed with the company this week by the Department of Munitions and Supply. This is one of several contracts placed with the company to date.

* * *

Newsprints—Amendments to the Excess Profits Tax should be to the advantage of the newsprint operators. Certainly they can be classed as "depressed" in respect to earnings over the past four years and the Board of Referees expected to place the tax basis on more reasonable grounds.

* * *

Aluminium Ltd.—Stock has not been giving a particularly good account of itself in recent weeks despite the fact that the entire output has been sold to the British Government and that output has been and is being stepped up substantially. Even with the Excess Profits Tax in operation the company should be able to show relatively large earnings in comparison with the stock's present price of 87.

* * *

Canada Cement—Higher earnings for this company are indicated in the current shipment figures released by the Bureau of Statistics. During March shipments totalled 253,483 bbls., as against 208,779 bbls. a year ago. For the first quarter of 1940, shipments aggregated 647,345 bbls., up from 442,917 bbls. in the like period of 1939.

* * *

C. P. R.—Very encouraging reports have been issued by the company on weekly traffic receipts, returns being considerably greater than those reported last year. As this company is affected to a limited degree by the Excess Profits Tax, increased earnings should go a long way toward rebuilding working resources. At present level of around 4½ the stock is viewed with some speculative favor.

* * *

Dominion-Scottish — This investment trust held 283 securities at May 31, 1940. Bonds and debentures made up 6.78%, preference shares 34.61% and common shares 58.61%. There is a decline in percentage of common stocks from 64.19% and in bonds from 7.96% and a gain in preference stocks from 27.85%. Of the total 77.86% is in Canadian securities, 17.70% in U. S. stocks and bonds and 3.81% in securities of Great Britain and the British Dominions. Analysis according to nature of undertaking follows:

Classification of Investments

	1940 %	1939 %
Cash		1.01
Foreign gov't. & municipal	0.51	0.72
Banking & financial	3.52	5.31
Manufacturing	20.58	19.09
Foodstuffs	12.16	10.53
Pulp and paper	9.89	7.80
Public utilities	7.76	8.47
Gold mining	6.84	8.17
Oil	6.65	6.86
Textiles	6.54	4.21
Base Metals	5.62	7.66
Engineering	4.26	5.30
Trading	3.82	4.31
Steel	2.81	2.25
Miscellaneous	2.75	2.70
Milling	1.92	2.17
Automobiles & accessories	1.65	1.03
Electric & railroad equip.	1.33	0.10
Railways & steamships	1.17	0.81
Amusements	0.15	0.56
	100.00	100.00

Significant Investors' Index Numbers

1926 = 100

	Mach. and equip.	Pulp and paper	Milling	Oils	Textiles and clothing	Food and allied prod.	Beverages	Bldg., mater.	Power and traction	Banks	Total utilities	Total co's.
No. of Securities	8	7	3	4	10	12	7	15	15	8	19	95
1929-39:*												
High	432.5	113.4	273.4	423.5	113.5	197.8	204.6	281.1	197.6	131.7	166.0	198.3
Low	39.2	3.0	37.7	87.7	30.8	78.8	33.8	44.3	47.1	63.1	36.9	43.3
1940:												
Monthly Figures:												
Jan.	134.3	24.5	98.8	155.8	86.4	183.0	135.4	150.7	61.3	84.5	45.7	99.7
Feb.	129.3	23.4	98.4	158.2	90.7	784.3	134.0	146.8	60.3	84.3	45.3	99.0
Mar.	134.1	22.9	96.5	155.4	91.4	185.7	135.4	146.5	61.1	85.1	47.1	99.1
Apr.	132.5	24.6	95.9	147.6	91.6	184.7	137.9	146.4	61.9	83.8	47.1	97.0
May	102.6	16.3	77.6	124.7	80.5	165.0	117.9	115.8	52.0	79.7	39.4	80.4
Weekly Figures:												
June 6	92.5	13.4	69.8	107.0	70.3	143.7	108.9	104.0	49.1	76.5	36.8	72.3
June 13	95.9	13.5	67.2	104.6	70.6	142.4	106.3	104.0	48.0	76.4	36.2	72.6
June 20	94.2	12.9	62.8	101.6	70.0	145.6	106.4	104.0	46.3	75.2	35.4	72.6
June 27	89.6	12.7	61.1	92.6	70.4	144.7	105.2	100.9	45.3	72.5	34.9	70.2

*High and low for year from 1929 to 1939 inclusive are based on weekly figures compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	10 B.M.	15 W.O.
July 2	87.14	78.68	57.38	19.57
July 1	Holiday			
June 29	86.92	78.84	57.87	19.52
June 28	87.04	79.02	57.59	19.07
June 27	86.00	78.47	57.44	18.54
June 26	86.36	78.87	58.05	18.64
Month ago	89.44	81.55	58.81	19.72
Year ago	110.29	118.99	84.77	27.96
High, 1940	128.84	132.80	86.97	33.31
Low, 1940	86.00	77.34	57.44	18.44

Montreal Stock Exchange Averages

	10 Util.	20 Ind.	30 Cbd.	10 Pprs.	15 Golds
July 2	51.0	57.0	55.0	71.44	57.25
July 1	Holiday				
June 29	51.2	57.2	55.2	70.08	57.44
June 28	51.7	57.2	55.4	69.41	58.21
June 27	51.1	57.2	55.2	68.16	56.65
June 26	50.9	57.7	55.4	70.19	58.11
Month ago	54.4	58.2	56.9	72.40	63.12
Year ago	65.1	69.6	68.1	86.71	106.00
High, 1940	69.2	92.3	84.4	152.63	100.81
Low, 1940	50.9	56.0	54.9	66.44	55.16

Market Opinions

Stock markets lacked decisive moves again in the past week, giving market commentators little reason to change previous cautious comment.

Magazine of Wall Street, N.Y.—The market reflects a much increased psychological immunity to shocking news from Europe and the May panic will not be repeated. Nevertheless further tests are ahead and caution remains advisable in investment and speculative policy.

In general investment policy we hold to the position taken previously: Selective scale-down buying if one is entirely in cash; establishment of partial liquidity by sale of least desirable cyclical holdings, if one is fully invested; carry no position on margin or bank loan; sit tight if safe income securities exclusively are held outright.

* * *

The Annalist, N.Y.—The domestic situation without the European war is regarded as favorable, so that an ending of hostilities should in the long run be considered a highly favorable influence. Seemingly, it would justify a return of stock prices to at least the level of March or April and perhaps further improvement.

The strength of bonds relative to stocks is of some significance. Bonds should react unfavorably to a continuation of the war but presumably might react more favorably to peace than stocks.

* * *

Brookmire Counselor, N.Y.—While continuation of the war many be expected to give impetus to the recent upswing in business, further shocks to the stock market can be anticipated—possibly, for example from extensive bombing to England, or perhaps a bid for early peace. Even a peace readjustment should find the market in good condition to resist selling at the reduced levels prevailing now than earlier in the year. Remember, also, that expanding armament work at home and needed rehabilitation abroad would be cushioning factors, if such a readjustment were to occur. Clients should maintain intact well-balanced portfolios in stocks of sound American industries.

* * *

Barrons, N.Y. (The Trader)—The trend of new business—which forecasts business activity, and, in most instances, the stock market, after a varying lag—has now been upward for four months. Financing, in the doldrums for weeks, may soon be in for renewal if the several public utility refundings scheduled for Securities and Exchange Commission registry are a criterion. Business, finance, money, politics and the time of year are all favorable to the market and only the ugly European war and final determination of the domestic armament taxes prevent the flowering of all of these powerful forces.

* * *

Barron's, N.Y. (The Dow Theorist)—The June 19 and June 28 highs have been set as fairly important resistance points. If these should both be pierced in substantial fashion, either now or after a recession stopping short of the May 21-June 10 lows, the uptrend would be classifiable under the Dow theory as a secondary reaction in a bear market. This would mean that, after the secondary uptrend is over, the subsequent decline would provide a real test of the bear market trend, depending on whether the May-June lows would hold or not. But if the market should fall to new lows without first rising decisively above 123.86 for the industrials and 26.15 for the rails, the movement would be regarded as just an extension of the decline which began early in April.

Gasoline Prices Disturbed By Tax and Price Wars

Gasoline prices appear to be sagging, at least in some parts of Canada. This week in Toronto, major oil companies gave semi-official endorsation of the policy followed by many gasoline retailers in allowing price reductions of up to two cents a gallon to the majority of customers.

Actually the procedure followed was to raise the tank wagon, or wholesale, price by one-half a cent a gallon and then give the retailers an allowance of 1½ cents a gallon. With the retailer, or gasoline station operator, absorbing the other half cent, the net effect is a reduction in all standard brands of gasoline by 1½ cents a gallon to the consumer.

It is said that this is only a temporary derangement of price structure. It has been made necessary by the increasing share of the trade being captured by the cut-rate sellers. Oil companies prefer to take this method of reducing prices which permits them to maintain the official tank wagon price ostensibly unchanged while actually taking measures to meet price competition.

10% Tax Raises Costs

Imposition of a 10% tax on all imports into Canada hits the oil companies. It is claimed that this will mean approximately the equivalent of a half cent a gallon on gasoline which is the amount of the official increase in the tank wagon price in Toronto this week. It would appear, however, that this 10% import tax would be a heavier burden on concerns importing refined gasoline than on those that bring in the lower-priced crude oil for refining.

In the meantime, oil company revenues are probably not on a very satisfactory scale, at least in the sections of the country hit by price wars.

PRICES DOWN IN N.B.

From Our Own Correspondent

MONTREAL. — Oil companies operating in New Brunswick have reduced the price of gasoline by one-half cent a gallon. Highest grade gasoline is now priced at 30½ cents a gallon, and the regular at 28½ cents.

At the outbreak of war gasoline prices were 29 cents and 27 cents. There have been two one-cent increases since that time. No reason was given for the present half-cent cut.

DISTURBANCES IN B.C.

From Our Own Correspondent

VANCOUVER. — Oil company operators in British Columbia, who have had more than their share of complications and controversies during the past year, are wondering what the effect of the new tax on oil and gasoline imports will be on their business.

Spokesmen for the oil industry here claim that the import tax will add the equivalent of nearly two cents per gallon to the cost of refined imported gasoline, which is already being sold at a loss in this province as a result of the attitude of the provincial petroleum price control board. How they can continue to do business under these conditions is beyond the comprehension of west coast oil executives.

Appointment of G. H. Cottrelle as oil controller gave new hope to the industry here, however, and if Dominion control is applied to British Columbia it is probable that the provincial board, responsible for most of the industry's grief in the past two years, will be supplanted.

Argue With Board

The oil industry has recently had a series of conferences with Dr. W. A. Carrothers, chairman of the provincial board, seeking relief from the present unsatisfactory price situation, made all the more intolerable by the new import tax. Dr. Carrothers takes the view that the tax should not materially affect prices in B.C.—a point vigorously contradicted by the oil men.

With the nation at war and the country demanding increasing oil and gasoline supplies for military and naval purposes, the oil industry would welcome Dominion control so that it would not be in the position of being ordered to do certain things by one authority and prevented from doing them by another authority.

The industry would welcome, too, the opportunity of handling an increasing allotment of Turner Valley oil, although it would seem as though recent reports that U. S. imports in the West are to be entirely eliminated in favor of the Alberta product are extravagant in view of Alberta's present producing capacity.

Easy Washing Earnings Up

Gains in Domestic Markets More Tran Offset Loss of Exports

Easy Washing Machine Co. reports sales and earnings for the first half of 1940 higher than the corresponding period a year ago. Prospects are that the gain may continue in the latter half of the year.

Steady improvement in sales, which showed an increase of 18% during the first two months and of 38% in the first fourth months of this year, accounts for the better results. Despite higher Federal taxes, it is expected that the company will be able to show a net profit for the full year of approximately the $24,000 average of the past four years.

Exports Lost

Export markets have been practically lost, but a larger share of domestic business has offset this. No increase in price of the company's machines has been made, accounting to some extent for the larger volume of sales. The larger volume, operating economies, and some redesigning of products, has enabled the company to show a better net profit despite some increase in material cost. Near capacity operations rule in the Toronto plant.

No further action has been taken toward the payment of the balance of preferred arrears, which will amount to 87½ cents a share at July 1 of this year, because of war conditions. If business is maintained around current levels, there is a possibility that in another month, when a clearer picture of the full year position will be available, directors will consider payment of a dividend.

Higher Oil Use Benefits B. A.

Earnings of U. S. Subsidiaries Maintained but Outlook Uncertain

Increased general consumption of petroleum products in Canada in the first six months of 1940 has been fully shared by British American Oil Co., according to J. C. Millar, treasurer, in a message accompanying current dividend cheques. Earnings of the company's American subsidiaries are also being maintained.

Regarding the future, however, he has only the following to say:

"Circumstances attending business in Canada today make it difficult to forecast the future trend. Your company is faced with additional imposts on its imports of crude oil and, along with all Canadian industry, heavier corporation and war taxes. Tourist business for the remaining six months of this year may not materialize to the exent anticipated, although everything possible is being done by governmental authorities and private enterprise to encourage United States tourists to visit Canada this summer."

C. S. L. Let Contract On Montreal Additions

From Our Own Correspondent

MONTREAL.—Canada Steamship Lines has awarded a contract to Anglin Norcross (Quebec) Ltd. for the construction of a warehouse and office building at a cost of $170,000 in the Montreal harbor area. The warehouse will be a one-story structure, 100 x 700 ft., to be constructed of concrete, steel and brick, while the office will be housed in a two-story building.

Defer Dividend For Brazilian

Reason is Altered Brazil Trade Picture in Recent Months

Dividend payment on the common stock of Brazilian Traction, Light & Power Co. again has been deferred. The announcement was made at the annual meeting by Miller Lash, president. The last payment was 50 cents per share distributed in July, 1938.

Prime factor affecting the decision is the altered outlook for business in Brazil, according to Mr. Lash. A few months ago optimism prevailed that improvement in 1939, as compared with 1938, promised well for the future. Some thought was then given to making a distribution on the common stock.

The picture has again altered. Brazil's international trade position is now being adversely affected, and an unfavorable trade balance was reported in the first quarter of 1940. Many markets for coffee and cotton, the two principal exports, have been lost. Prices for these commodities have declined.

As a result it is difficult for the company to get funds out of the country and into Canada.

Internal Business Good

Internal business conditions in Brazil are fairly good, according to Mr. Lash, and all services of the company are showing steady progress. Relations with the Brazilian Government continue good, with definite evidences of goodwill.

One shareholder suggested the company pay out all available earnings in dividends in view of the Nazi danger getting closer to the affairs of the company. In answer to this Mr. Lash pointed out that the recent speech by President Vargas had been misinterpreted.

It was more a warning to the Brazilian people to resist advances of the totalitarian states than a pro-Nazi declaration, in the opinion of the Brazilian Traction head. He was of the opinion the Government is fully aware of the danger and is making full preparations to meet any such contingency.

Earnings Lower

Net earnings of Brazilian Traction, Light & Power Co. for the first five months of 1940 totalled $7.6 millions, down almost 9% from the comparable period of 1939. Net earnings in May at almost $1.6 million, are down almost 10% from the same month of 1939, in spite of a reduction of nearly 4% in operating expenses.

The decrease in May earnings is more than accounted for by the decline in exchange, according to A. W. Adams, secretary-treasurer. Operating results as shown in dollars will be subject to final adjustment when the annual accounts are made up.

Temporary rates for certain of the services provided by the company continue in effect, according to Mr. Adams, pending the determination of permanent rates.

Monthly Earnings

	1940 $	1939 $	Decr. %
May			
Gross earn.	3,100,378	3,321,849	6.67
Oper. exps.	1,549,141	1,603,935	3.60
Net earn.	1,554,237	1,717,914	9.53
5 Mos. Ended May 31:			
Gross earn.	15,040,277	16,124,274	6.72
Net earn.	7,585,936	8,304,989	8.66

Goodyear Sales Compare Well

Total sales of Goodyear Tire & Rubber Co. of Canada in the first six months of 1940 made a "very favorable" comparison with sales for the corresponding period of 1939, states A. G. Partridge, president, in a letter to shareholders. Earnings continue to exceed dividend payment, he adds.

This favorable position is tied in with the gain of over 30% in new car and truck registrations in Canada during the same period.

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Walwyn Leaves Portfolio Unchanged by Budget

The June 22 issue of The Financial Post carried an article by A. G. Walwyn, director of the Toronto investment firm of Gairdner & Co., in which he gave his version of a $50,000 portfolio for the businessman under today's conditions. His selection was based on the first and second prize winner's selections in The Financial Post's "Investing in Wartime" contest of last fall with what revisions Mr. Walwyn considered desirable in the light of the changes brought by nine months of war.

The Toronto Globe & Mail has published Mr. Walwyn's portfolio and has asked him for his comments on his selections in the light of the new measures contained in the latest Dominion budget. His comments, as published by the Globe & Mail, follow:

First, let us examine the principles behind the Budget. These I consider to be chiefly as follows, to provide for the maximum war effort of which this country is capable by:

1. Following as far as possible a continuing of the pay-as-we-go policy.

2. In regard to the balance to follow Government financial and economic policies so designed as to safeguard against a spiral of inflationary forces.

3. Discouragement of an expanding civilian demand for luxuries and non-essentials, which might come in competition with the Government for goods and services in this country or with United States exchange in the case of goods from that country.

No Increased Profits

In regard to the imposition of the Excess Profits Tax, the idea is that the tempo of industrial activity will continue to increase as a result of the tremendously increased expenditures, and that the Government will not permit any company or individual greatly to increase his profit as a result of the nation's war effort. The Excess Profits Tax is calculated, therefore, to prevent companies showing wide increases in the net profit available for dividends. It certainly is not intended either to destroy the initiative of business or to oblige a revised dividend policy because of the weight of taxation. Such influences would defeat the very purpose of the Budget.

In the case of 15 stocks taken from the portfolio referred to, this Excess Profits Tax, if applied against last year's earnings, would reduce the net profits below the dividends being paid if only 3 out of 15 cases. In the other 12 no change in dividend policy would need to be considered and even in the case of the 3 referred to, it is likely that the increase in the industrial tempo would increase profits to a point where the dividend would be covered.

Export Trade Changes

There are two factors which, in the opinion of the writer, are much more important than the Budget in their influence upon investment situations.

The first of these is the changing effect in regard to our export trade as a result of the tide of battle and the spread of Nazi influence. Canada is essentially an exporting country and as the Nazi influence spreads, either through conquest or through infiltration and local influences, as has been the case in Montevideo, the outlook for our various exporting companies and the producers and companies which supply them will have to be carefully revised from time to time. Every new country so involved will affect the trade of some Canadian companies.

U. S. Exchange

The second important factor is the question of United States exchange. It now appears that through uncertainty and misunderstanding, the tourist traffic through Canada will be much less than normal and this, together with the help that is being extended to Great Britain, as explained in the Budget Speech, is likely to result in an increasing shortage of United States currency. This will help some Canadian companies and work against others. The present premium has already had the effect of adding 10% to our tariff and there are now 10% added to duties as well. It is possible, as in the case with higher priced motor cars, that future restrictions will partake of a prohibitive nature. For example, we may attempt to make greater use of our oil resources in the West and certainly our implement companies can provide all the machinery that we need.

The above two factors, in my view, carry implications of far greater impact than the Budget. They indicate a desirability of wide diversity among holdings and the necessity of revising these holdings frequently in consultation with investment authorities.

Canadian Celanese Strike Ended

2,500 Employees Back at Work; Refuse to Recognize Union

From Our Own Correspondent

MONTREAL. — Labor difficulties at the Drummondville plant of Canadian Celanese Ltd. have ended and all employees are back at their jobs.

The National Catholic Syndicate of Textile Workers was not recognized by the company, but a committee, supervised by the Quebec Labor Department and consisting of two elected employee representatives from each department of the plant, will be formed.

This Committee's principal task will be to reconsider the number of looms to which each worker is assigned.

Reduction in the number of looms per worker was the principal demand of the plant's 2,500 workers when they went on strike May 10. Recognition of the Union by the company was also demanded.

Canadian Marconi Orders Mount Up

From Our Own Correspondent

MONTREAL.—One of the largest orders placed by the Department of Munitions and Supply with Canadian Marconi Co. is seen in the placing of an order for $319,686 of electical equipment. This is one of several contracts placed by the Department with the company since the war started.

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Notice Re Sale of Debentures

Tenders will be received by the undersigned up to July 27th, 1940, for the purchase of $25,000.00 Vermilion Municipal Hospital District No. 2 debentures payable to bearer in twenty equal consecutive annual instalments, with interest payable annually, maximum rate of interest 6%.

The issue is authorized by By-law No. 5 of the Hospital Board, a body corporate, approved by the Board of Public Utility Commissioners of the Province of Alberta and by vote of the ratepayers in the Hospital District.

The purpose of the issue is to provide money to build an addition to the present Hospital Building in the Town of Vermilion about 160 miles east of the City of Edmonton in the Province of Alberta.

The Hospital has no indebtedness except $1,105.00 unmatured debentures, the balance of issues in 1920 and 1921 totalling $35,000.00 and the cash position is good with $11,595.15 cash on hand as at December 31st, 1939.

Further information will be given on request.

Tenders must be mailed to F. J. Richardson, Box 2009, Vermilion, Alberta and received by July 27th, 1940.

The highest or any tender not necessarily accepted.

By Order of the Vermilion Hospital Board.
F. J. RICHARDSON,
Secretary-Treasurer.

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Bond Markets

Britain's Low Loan Rate Stirs Speculation Here

Interest 2½% on Short-term War Loan — Feeling is Ottawa Might Do Better Than 3¼% For Last Issue

Speculation on Canada's next war loan has been revived by the new British war issue announced by Sir Kingsley Wood, Chancellor of the Exchequer. The loan is a short term, bearing interest at 2½% and due in 1947. Previous issue carried interest of 3% and provided for maturity in 19 years.

The feeling persists Ottawa may do better than the 3¼% rate obtained in January on the issue maturing 1948-52. The government would like to get 3% and, if necessary, might shorten the maturity to do so. On the other hand, short-term issues in the past have been confined primarily to institutions. To win the popular appeal necessary if the tremendous requirements for war purposes are to be met, the tendency would be toward longer-term issues.

One suggestion is that the next war loan might include 2½% issue maturing possibly in six years and 3% bonds due in 12 years. This would tend to attract both the institutional buyer as well as the large number of smaller investors.

While trading in bonds continues quiet, prices remain firm. Dominion issues are steady, with the war loan holding firm after a period of weakness. Fractional losses are shown by some of the provincials. Small gains have been made by both speculative and high-grade corporation issues.

* * *

Australia Did It

The suggestion Ottawa might issue both short and longer-term bonds when the next war loan is floated finds a precedent in the case of Australia. Its latest war loan for total of £20 millions was offered in two classes. Provision is made for the purchase of an issue with interest of 2¾%, maturing in five years; or 3¼% bonds maturing in 10 to 16 years.

The first Australian war loan for £18 millions carried interest of 3⅜% and matures in 10-16 years. An optional short-term rate of 3⅜% was provided for an issue maturing in five years.

* * *

War Loan Backing

A further break-down in figures of subscriptions for the January war loan shows that the smaller subscribers were a primary factor in success of the loan. About 44% of the $250 millions issued was made up of subscriptions of less than $5,000.

Individual subscribers totalled 175,180, while in addition there were 3,183 corporation subscriptions. Total of 121,407 subscriptions was for $500 or less.

Complete figures follow:

Subscription to War Loan

Corporations:	No.	$
Up to $25,000	2,704	20,308,800
$25,000 to $100,000	384	21,612,750
$100,000 to $200,000	55	8,886,850
Over $200,000	40	28,110,000
Total	3,183	78,918,400
Others:		
Up to $500	121,407	28,581,950
$500 to $1,000	29,280	28,329,450
$1,000 to $5,000	21,644	57,449,350
$5,000 to $25,000	2,636	28,299,400
$25,000 to $100,000	184	9,197,800
Over $100,000	29	5,946,000
Total		157,803,950
Dealers		13,259,650
Grand Total		250,000,000

* * *

Correspondent Protests

A correspondent suggests this column has "indulged in a little optimism" in saying Ottawa should find little difficulty in borrowing its requirements for the current year.

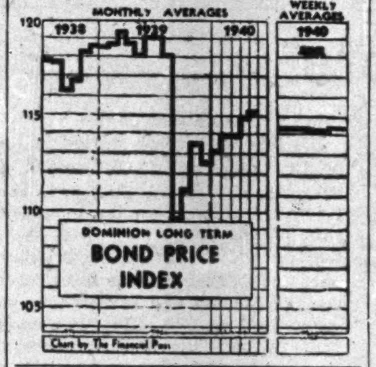
He estimates actual cash requirements will be from $700 to $800 millions. Although $200 millions of this, he finds, are likely to be absorbed in repatriation operations, the surplus for borrowing is to be reduced by that amount—still leaving up to $800 millions to be found.

The writer cannot agree this will be a very easy task. He is of the opinion it will be accomplished only by dipping heavily into institutional reserves and private savings. He points out that in 1914-18 the war was financed principally by borrowing, and taxation had not assumed more than a fractional proportion of its present size.

* * *

Argument Double-edged

The argument there was no capital market prior to the war is, he believes, a double-edged one. "Neither," he writes, "was there any great Dominion or provincial demand for funds."



The correspondent believes the tremendous increases are going to have psychological and physical effect upon war loans. For every $1 increased taxation, he points out, there is going to be $2 taken from circulation that would otherwise be available for war loans. Furthermore, he says, the Government's prediction that national income will increase $700 millions has yet to be proved.

"How much effect," he asks, "is an increase in $700 millions in national income going to have upon your capacity and mine to subscribe to war loans?" The actual ability of salaried workers to loan money to the Government, he continues, has materially deteriorated with the present "squash consumer goods consumption" movement.

He adds, finally, that the new demands of the Government are likely to have an adverse effect on the sale of savings certificates. He, for one, is contemplating cutting commitments for certificates because of the higher income and new defense tax levy, and finds other people of the same mind.

* * *

Bond Index

The D.B.S. index of long-term Dominion of Canada bonds at 114.4 for week ended June 27 was up 0.1 point from the previous week. It was off five points from the same week of last year, and down 0.5 from the corresponding week of the previous month.

DOMINION OF CANADA
Long-term Bond Index

	Latest week June 21-27	Preceding week June 14-20	Weekly average year ago
Price	114.4	114.3	119.4
Yield	73.0	73.3	66.5

Bond Sales

Dominion Treasury Bills

Yield on Dominion Treasury Bills of 0.733% for $35 millions dated July 2, maturing Oct. 1, is the lowest since Sept. 1, 1939. It compares with 0.738% for the previous issue dated June 14.

The issue sold at an average discount price of 99.81955, compared with 99.81642 for the June 14 issue.

Current issue is to redeem $25 millions issued April 1 and $10 millions issued May 1. The latter was issued in connection with the Dominion Government taking over the gold reserves of the Bank of Canada on May 1.

Clarendon Apts. Passes Bond Interest Payment

Interest payment due June 15 on 7% first mortgage sinking fund bonds of the Clarendon Apartments, Ltd., was passed. W. N. Oram, secretary to the bondholders' committee, advises bondholders that there is a small amount of money on hand. It must be retained, however, to meet the two remaining installments of taxes, both of which fall due Aug. 27, and for maintenance and other purposes.

It is planned to call a meeting to discuss the situation following completion of certain legal steps now in hand.

The usual semi-annual statement will be forwarded to bondholders as soon as possible after June 30.

Ship Operators Sign Agreement

Seven Firms, Including C.S.L., Come to Terms With Seamen

From Our Own Correspondent

MONTREAL.—Seven Great Lakes shipping companies, including Canada Steamship Lines, have signed new agreements with the Canadian Seamen's Union.

This includes provision for certain wage increases, establishment of a Maritime Adjustment Board to handle future disputes, and it is undertaken by the union that the seamen will not strike during the renewal of agreements and arbitrations.

Extra Deck Hand

According to Travers Sweatman, counsel for the companies, the only new provisions of the agreement are a concession of an extra deck hand on each ship operating in the Lower St. Lawrence canals and a $2.50 a month increase for wheelsmen and oilers.

The new Adjustment Board will have three members, one each representing the companies and the union, and one to be agreed on by both parties and approved by the Federal Minister of Labor.

Canadian Vickers Orders Mounting

Unfilled Contracts Now Total $9 Millions; Meeting Shortly

From Our Own Correspondent

MONTREAL.—Unfilled orders on the books of Canadian Vickers Ltd. remain around the $9 millions level, according to a statement made at the stockholders annual meeting by President J. E. Labelle.

Answering a stockholder's question, Mr. Labelle stated that Montreal Dry Docks Ltd. (a subsidiary) is well occupied with work; that an amount of $90,000 due under agreement from subscribers to capital stock in Canadian Vickers Ltd. allotted was in the process of collection and that $57,896 investment in the Red Barge Line Ltd. at Feb. 28, 1939, had been collectted.

Reference was made to the bondholders meeting called for July 12 for the purpose of enabling the company to secure working capital necessary for execution of unfilled orders.

HEADS 'PEG ELECTRIC

Wm. H. Carter, president of Carter - Halls - Aldinger, Winnipeg, has been elected president of the Winnipeg Electric Co., succeeding Edward Anderson, who will continue as chairman of the board of directors.

He was born at Bismarck, Illinois, in 1874, son of Ninion R. and Eliza J. Carter.

Mr. Carter came to Winnipeg in 1903 as manager for William Grace Co., contractors, of Chicago. In 1907 he formed present building firm of Carter-Halls-Aldinger Co. This firm has executed contracts for some of the outstanding buildings in western Canada including departmental stores, paper mills, hotels and grain elevators. Besides being president of his own company, Mr. Carter is president of the Winnipeg Cartage Co. Ltd., and a director of Walbridge, Aldinger Co., Detroit, the London and Western Trusts, Modern Dairies Ltd., Manitoba Paper Ltd., Winnipeg Cold Storage, and Manitoba Sugar Co.

C.N.R. Budgets Lower Deficit

Expect to Cut Cash Deficit in 1940 by 50% to $20 Millions

From Our Own Correspondent

MONTREAL. — Sharp contraction in the cash deficit for the Canadian National Railways for 1940, compared with 1939, is indicated in the budget for the C. N. R. system tabled in the House of Commons.

Estimated operating revenues for this year are placed at $250 millions, as against $203.8 millions last year. Expenses for the current year are placed at $207 millions, an increase of $25 millions, leaving a net revenue for the system of $4 millions. This contrasts with an actual deficit in 1939 of $20,854,418.

After paying fixed charges and other liabilities, the budget estimate shows a cash deficit this year of $20 millions, compared with $40,095,519 last year. The estimated deficit includes payment for superannuation and provident funds.

Capital Outlay in 1940

Capital expenditures of the system this year are estimated at $15,104,000 including $4,649,000 for additions and betterments and $1,665,000 for new equipment. The latter figure does not include the equipment ordered in 1939 by the War Supply Board costing $14,909,144 and on which the first payment is not due until 1941.

Expenditures for betterments are scattered over the system. Details will not be made public until presented to the House Committee on Railway and Shipping.

The budget for the system further estimates the Canadian National West Indies service will have a surplus of $225,000 toward paying interest on advances made to it from the Federal Treasury.

Bolivia Exchange Conditions Better

Improvement May Be Reflected in Bolivian Power Operations

From Our Own Correspondent

MONTREAL.—The exchange situation in Bolivia has undergone improvement in recent months. This favorable trend should ultimately be felt in operations of companies, such as Bolivian Power Co., operating in the South American Republic. Bolivian Power Co. is a subsidiary of International Power Co., in which there is considerable Canadian interest.

Since war began price of tin has greatly increased and the Republic, because of the important part which this commodity plays in its economy, has prospered accordingly.

In recent months Bolivia has been in a position to supply importers with more foreign currency, except that requested for the import of luxury goods. Control is still being exercised closely over foreign exchange, but the loosening that has occurred should make itself felt in better trade conditions internally.

New Building

Fleet Aircraft of Canada Ltd. has awarded contract for extension of its plant at Fort Erie, Ont.

Dept. of Munitions & Supply has awarded contracts for temporary buildings at the $1.2 million flight training school development at Brantford, a unit in the Empire Air Training Scheme. Initial contract for buildings at the air observers school at Winnipeg has also been let.

Reported by Engineering & Contract Record:

Dept. of Munitions and Supply has awarded contracts for construction of Air Force and Air Training scheme structures, as follows: equipment depot, Calgary, $124,000; airport buildings, Granum, Alta., $207,400; elementary flight school airport buildings, Lethbridge; training school, Regina, $300,000; air observers school, St. James, Man., Winnipeg suburb.

Dept. of National Defense has given contract to Anglin-Norcross Corp. for addition to arsenal at Quebec.

Dominion Rubber Co. plans erection of $50,000 office building on Notre Dame St. E., Montreal.

McKinnon Industries Ltd., subsidiary of General Motors of Canada, has awarded general contract at $50,000 for extension to plant. Contract will be awarded soon for addition to power house.

Anaconda American Brass Ltd. has started construction of $100,000 electric casting shop addition to its plant at New Toronto, Ont.

City of Ottawa Sells Serials

Average Cost Basis of 2.88% Obtained on $571,703 Issue

Serial debentures totalling $571,703 were sold by the City of Ottawa this week. Successful tender was submitted by the Bank of Montreal, which paid an average price of 99.09. Average cost to the city is 2.88%. All debentures are payable in Canadian funds at Ottawa, Toronto and Montreal, and are dated Jan. 1, 1940. The issue compares with a $971,769 issue sold in 1938 at an average cost of 2.36%, and average price of 101,253.

The offering consisted of the following issues:

$151,000, 1½% 3-year serial debentures, dated Jan. 1, 1940, to provide for part of direct relief expenditures in 1939;

$225,000, 2% 5-year serial, dated July 1, 1939, for fire alarm system;

$20,250, 2½% 10-year serial, dated July 1, 1939, for suburban roads;

$94,953, 3% 15-year serial, dated July 1, 1939, for local improvements —sidewalks, pavements and sewers;

$56,000, 3% 15-year serial, dated July 1, 1939, for water works;

$24,500, 3¼% 20-year serial, dated July 1, 1939, for local improvements —sewers and grading.

Total debenture debt of the city as at Dec. 31, 1939, was $19.9 millions. Other liabilities consisted of $1.3 million on current account and $254,049 on capital account. Sinking fund on hand totalled $4.9 millions.

Gross debenture debt was down almost $1 million from Dec. 31, 1938, and almost $4 millions below the 1935 figure. A further reduction of nearly 1.3 million is being effected during the current year. Per capita debt at the end of 1939 was $137, compared with $172 on Dec. 31, 1935.

List of tenders follows:

Bank of Montreal	99.09
Bank of Nova Scotia Hanson Bros. R. A. Daly Co.	98.92
Wood, Gundy & Co. Royal Bank of Canada Dominion Bank Nesbitt, Thomson	97.525
Harris, Ramsay & Co. Imperial Bank	97.48
Dominion Securities Corp.	97.447

Burns & Co. Does Better

Profit Shown in First Quarter Compared With Loss in 1939

A profit is understood to have been shown by Burns & Co. for the first quarter of the current year, as compared with substantial losses in the comparable period of 1939. This is in spite of adverse factors affecting both domestic and export business.

The early months of the year, it is understood, are among the quietest of the year. In view of this, prospects for balance of the year are regarded as encouraging.

A primary factor in the improvement is the increased purchasing power in Canada due to war demands. Prospects of a further expansion in this direction indicate further improvement in Burns earnings.

Exports Restricted

Shipments of bacon overseas have been moving better within recent weeks. However, Great Britain has been restricting shipments to the minimum specified in the contract with Canada. This is in spite of the curtailment of imports to Britain from European sources. Indications are there may be further restrictions of exports of packing house products.

This factor, together with the fact the supply of hogs is greater than for some years, has created an accumulation of surplus pork in Canada. The company, as a result, has been faced with the necessity of increasing domestic sales.

Demand for by-products, in face of war conditions, has been disapppointing. Most of such products are now selling at lower prices than obtained before the war.

Colonial Airways Seeks Extension

Asks Washington Permission to Operate Additional Routes

From Our Own Correspondent

MONTREAL.—Canadian Colonial Airways has announced its intention to file with the Civil Aeronautical Authority in Washington for certificate of convenience and necessity to fly between LaGuardia Field, New York and Boston.

The company has also announced its intention of filing in Washington for a certificate of convenience and necessity to operate scheduled mail, passenger and express service between New York and Nassau, Bahamas, via the intermediate points of Atlantic City; Norfolk, Va.; Elizabeth City, N.C.; Wilmington, N.C.; Myrtle Beach, S.C.; Georgetown, S.C., and Charleston, S.C.

The company will use Douglas 21-passenger DC3 planes between New York City and Boston if granted permission to fly this route.

Canadian Run

The company already has on file in Washington application for authority to fly a non-stop route between New York City and Toronto and for a local run between these two cities with stops at Scranton, P.; Elmira, N.Y.; Buffalo, N.Y., and Niagara Falls, N.Y. The company has also applied for authority to make a stop on its present New York-Montreal route at Glens Falls, in order to serve the Saratoga—Lake George regions.

The company has applied to the Board of Transport Commissioners of Canada for authority to establish regular air line service between Montreal and Quebec City, with an intermediate stop at Three Rivers.

JOIN CORPORATE INVESTORS

Percy E. Hopkins and John W. Spears, Toronto, have been elected directors of Corporate Investors Ltd., Toronto management type investment trust, to fill vacancies.

Excess Profits Tax Application Varies

Likely to Follow Munitions Board Contract Clauses For Amortization

Study of the new excess profits tax measure has developed many questions as to its application. Some of these will have to be left to the discretion of the Board of Referees as provided in the new act, or the Minister of National Revenue.

One important question that comes up frequently under an accelerated war effort is that of amortization, or depreciation, of capital expenditures made necessary to carry out Government orders. In some cases the needed capital for this purpose is supplied directly by the Government and the company concerned operates the plant. In other cases the capital may be supplied by the company itself.

Contract Provisions

The contract signed by the company and the Government usually provides for any special amortization of plant. This may be done through setting aside of a portion of the payment for early deliveries or it might be through directions that a larger than normal portion of earnings from such orders could be applied to write off the plant itself, which might be of only nominal value after the war.

Provisions in respect to this amortization are the same for both the normal corporation income tax and the excess profits tax. The procedure to be followed would probably be for the income tax department to get a copy of the contract and follow the provisions included therein. This is no guarantee that the procedure, or provision for amortization, in the contract will be allowed completely by the income tax department but such action is quite probable in the majority of cases.

Such plants would have a salvage value after their wartime usefulness is passed. It is understood that in the majority of cases it is the Government which has paid for the equipment and perhaps the building itself. In this case any salvage value will also belong to the Government which usually makes provision in its contract that the plant be taken over by the Government after its need is gone.

Business Done in U. S.

There are a number of Canadian companies which do the bulk, or a large portion, of their business in the United States. This group would include such companies as Hiram Walker-Gooderham & Worts, Distillers Corp.-Seagram, Moore Corp., International Metal Industries and George Weston. Ford of Canada does a substantial portion in other parts of the Empire. Enquiry from the income tax department at Ottawa makes it clear that the excess profits tax is to apply only on earnings from business done in Canada.

International Petroleum Exempt

Under this interpretation, International Petroleum Co., which does not do business in Canada, would be exempt from the excess profits tax. Fanny Farmer would not come under this Canadian taxation. Only that portion of the earnings of the others named in the preceding paragraph which actually came from Canada would be subject to the excess profits tax. Because of difficulty in arriving at a breakdown of the proportion of earnings in most such cases that come from the U. S., calculations of the probable effect of the new tax on earnings of such companies is difficult.

Some of these companies, however such as the two liquor concerns, Moore Corp. and International Metal Industries, usually report earnings from Canada and the U. S. in proportion to population. Thus as much as 90% of net may come from U. S. sources.

Another case which has come up is that of Anglo-Canadian Telephone Co., a holding company controlling B. C. Telephone Co., a number of smaller telephone or supply companies in British Columbia, and telephone properties in other countries. This concern set aside approximately $16,000 in income taxes last year from earnings of approximately $600,000. These taxes only applied on the income from outside Canada as dividends received by a Canadian company from another Canadian company are not subject to income taxation.

The reason is that before the company paying the dividends arrived at its net profit it had to provide for the income tax itself. Thus to apply another income taxation would be a duplication which the Government tries to avoid. For this same reason this particular holding company would not be subject to excess profits tax.

C. E. A. Elect Slate For Coming Year

From Our Own Correspondent

MONTREAL. — G. A. Gaherty, president of Calgary Power Co., and associated with a number of other public utilities, has been elected president of the Canadian Electrical Ass'n.

R. A. C. Henry, general manager of Beauharnois Light, Heat & Power Co., Montreal, McNeely Dubose, of Saguenay Power Co., and W. C. Wainwaring, B. C. Power Corp., were elected vice-presidents. J. B. McCabe and B. C. Fairchild, both of Montreal, will act as treasurer and secretary, respectively.

The executive committee is composed of the following members: A. L. Brown, G. Kirlin, C. Johnstone, R. V. Macaulay, C. R. Reid, H. Milliken, all of Montreal; G. W. Lawrence, I. M. Maclean, A. S. McCordick, all of Toronto; A. C. Brittain, Allan Brown, W. H. Munro, all of Ottawa; E. V. Caton, R. A. Merritt, both of Winnipeg; J. B. Hayes of Halifax; B. M. Hill, Calgary; H. A. Cooch of Hamilton and J. H. Fregeau of Three Rivers.

Foreign Exchange

During the week June 25 to July 1 there was no change in the quotation to the United States dollar at Toronto and Montreal, which was $1.10 for buying and $1.11 for selling. The sterling rate likewise was unchanged at $4.43 buying and $4.47 selling. The rate is published daily by the Foreign Exchange Control Board.

Other Currencies, July 1

Japan	.2603¼	N. Zealand	3.61
Australia	3.58	S. Africa	4.47
India	.3357⅝	Hong Kong	[illegible]

New Exchange Tax Hits Import Firms

From Our Own Correspondent

MONTREAL. — One immediate effect of the Ralston budget of a 10% tax on all imports from non-Empire countries has been to put a comparatively large number of importing firms out of business. It is understood that the day following the bringing down of the budget, 30 Montreal importers notified their American principals that they would have to discontinue handling their goods.

Several lines of activity have been affected, but notably textiles and artificial leathers, in so far as the Montreal area is concerned. The margin of profit on both lines is so small that the premium on American funds plus the new tax makes it impossible for the importer to work on a profitable basis.

Nfld. Sells Bonds To Help Britain

Voluntary $1.5 Million Flotation Quickly Oversubscribed

Newfoundland's war loan, a voluntary contribution to Great Britain of $1.5 million, has received an excellent reception. Five and a half days after subscription lists opened the loan was fully subscribed, but closing was delayed one day to allow for outpost subscriptions.

Proceeds will be used to meet Newfoundland's debt service and thus lessen demands upon the United Kingdom Government by assuming some of the deficit that the Newfoundland Government incurs in operation. This year it is estimated that over-all deficit of the Government in the year ended June 30 will be between $4 millions and $4.5 millions.

The bonds bear an interest coupon of 3¾%, are dated June 15 and mature in 25 years. They were issued at par, plus accrued interest. A sinking fund will be created to meet the maturing issue.

Grants-in-aid are made annually by the United Kingdom to cover the Colony's revenue deficiency. Newfoundland's sterling debt is serviced by means of these grants. Approximately $2 millions of debt charges will have to be met on June 30.

Bachelors enjoy
BACHELORS

"A cigar, more than ever before, remains distinctly a gentleman's smoke," says a popular magazine article. Today women invade what were the exclusive domains of husbands and bachelors. But the famous Bachelor Cigars go on providing the exculsively masculine delights of 100% Havana filler at only 10c. So a bachelor still has his compensations and a married man his undisputed realm.

FEATURES
in the July issue
THE CANADIAN CHARTERED ACCOUNTANT

- Research bulletins—Depreciation on appreciation and Comparative statements
- Accountants and the law of negligence
- Municipal administration in British Columbia
- Report on dominion-provincial relations

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TORONTO, JULY 6, 1940

The Financial Post Editorial Platform for Canada

Winning the war has become the focal point for national and personal effort in Canada. This requires full mobilization of the nation's material and spiritual resources. To the fullest degree this should be obtained by individual effort, freely made. Strong national leadership will inspire service and sacrifice that will reduce the need for regimentation and compulsion.

The Post believes the situation demands:

1. *Strengthening cabinet leadership by drawing upon Canada's best executive brainpower irrespective of political considerations.*
2. *Reorganization of war department and appointment of one supreme authority, competent to plan, determine and programme our war needs.*
3. *Appointment of non-political industrial co-ordinator with complete authority to direct procurement of munitions and supply.*
4. *Fullest co-operation and co-ordination—military, industrial and financial—with the United States as well as with Great Britain.*
5. *Pay-as-we-go policy, in so far as consistent with "total" war. Elimination of public and private waste.*

Curbing Provincial Tax Appetites

There is not going to be any pyramiding of income taxes in Quebec. The temptation of the provincial governments to take advantage of the increased levies payable to the Dominion Government is almost overwhelming in view of their dire need for extra revenue. Hon. J. Arthur Mathewson, Provincial Treasurer of Quebec, however, has set an example for others to follow. He has wasted no time in informing the taxpayer that the Quebec provincial levy will be based on the old and not the new tax. His stand is highly commendable especially at a time like this when a unified national effort is of such paramount importance.

Acting Premier H. C. Nixon of Ontario is also to be commended for his assurance that his province would "leave the taxation field to the Federal Government for the necessary sinews of war" and meets its budget requirements without increased taxation.

Mr. Nixon said that under Ottawa's new income and defense tax regulations, the province would stand to lose between $2 and $3 millions. This is because Ontario applies its tax after allowance for Federal payments.

Presumably Mr. Nixon is planning on taking the only wise and proper course, namely, to leave the actual rates now charged by the province unchanged. These rates were computed at exactly half the rates charged by Ottawa under the old federal income tax law.

If the province were to take advantage of the new federal rates and still charge "one-half" the new and higher Ottawa scale, it would, of course, increase its income tax revenue many times. Such a course would be clearly unjustified and would be quite out of keeping with the assurance given to taxpayers by Mr. Nixon.

Even for the Ontario Government to leave its old rate schedule unchanged and take advantage of the lower exemptions introduced last week at Ottawa, would increase provincial revenues considerably. The fairer course for Ontario and other provinces to adopt would be to keep strictly to the former rates and look to the expected increase in income earnings throughout the country to make up any amount that might otherwise be lost by reason of larger Federal "takings" to help pay for the war.

The focus of all provincial efforts at this time, as well stated by Mr. Nixon, should be to adopt "the most rigid possible economy and a total holiday on capital expenditures in every department and no further advances in any so-called social services."

Only by such policies can the provincial governments contribute their share toward winning the war.

Spreading the "Good Host" Gospel

Prime Minister King has wisely ruled that there will be no "unnecessary delays or hindrances" in the way of U. S. tourists and that until the end of the summer, at least, there will be no passport requirements.

Already the lack of specific assurance on this point has hampered the efforts of those who are working against heavy odds to offset propaganda and the fears that exist among many would-be U. S. visitors about holiday-making in Canada. Had Ottawa been prompt and willing to give a definite, clear-cut decision several weeks earlier, the drive to encourage travel in "Friendly Canada" might have proceeded with added vigor and enthusiasm. While the uncertainty regarding passports prevailed, it was difficult to print and circulate new publicity and other persuasive material.

Now that the passport bogey is definitely cleared away, a vigorous and intensive programme of advertising should be undertaken in the United States. The ignorance and wilful misrepresentation in that country concerning Canada at war can only be overcome by intensive efforts. Not only the Government but every business and every individual anxious to do his or her part in the war effort must assist.

Canada needs—and needs badly—American tourist dollars to pay for essential war materials she must buy in that country. This means doing everything possible to make our American friends realize that not only will their dollars go one-tenth farther but that the warmest kind of welcome awaits them in Canada.

To quote Col. J. L. Ralston's hearty verbal handshake to our U. S. neighbors:

> "Come up and see us this summer. Bring your families with you. You can ramble where you will and enjoy our sports, our great national parks, the romance of our cities and the fresh natural beauty of our countryside as freely and as fully as you did in the days of peace. Every door will be open to you. Never in our history have you been more welcome."

This is the sort of message that needs repeating not once or twice but hundreds and thousands of times until our American friends become once more completely reassured that Canadians are just as ready as ever to be "Good Hosts to Good Neighbors."

One-man—With Authority

The incisive brain of Senator Meighen laid bare recently the weakness of Canada's present programme of munitions and supply. Speaking in the Upper House he said:

> "There has been too much circuitousness and perhaps meticulousness in the deciding of contracts and the starting of work. That policy has its root in the absence of a single and ample authority,
>
> "In the last war we did not get to the establishment of that single and ample authority very swiftly. War was newer to us then than it has been in the last year. We had then . . . the Imperial Munitions Board which really meant the supremacy of one man in whose business capacity and integrity the whole nation, whatever anyone might complain of, had confidence.
>
> "That man is dead. But this Government should before now have selected a man for a similar position and agreed with the Imperial authorities with regard to him and given him the same ample authority and should not have been under the necessity of shuffling between a Supply Board here and a British representative there and of having references sent back and forth with all the ensuing delays.
>
> "The Minister of Supply has been overwhelmed. I beg of the Government to select the man now . . . agree on that man and give him authority, and get that acceleration which Lloyd George got in the last war and which Beaverbrook is undoubtedly getting in this."

Choosing the best man this country can produce as industrial co-ordinator and giving him ample authority to direct the procurement of munitions and supply is a first, essential need. It is a need that becomes more apparent and urgent with every speeding up of industrial mobilization.

As Senator Meighen later remarked, our national registration, our voluntary offerings and the like, "all such things do not matter the turn of a hair" compared to the swift, effective production of planes, tanks, shells and other munitions of war.

The New Millstone

Behind the heavy impact of the recent federal budget lie two sobering implications.

First, the Ralston budget is very much an "open" budget. Increased financial sacrifice will almost certainly be required of Canadians next fall or early winter, unless there is meanwhile an important change in the course of conflict.

Second, the sacrificial taxation now demanded of Canadians (mostly as yet from those in the middle-class brackets) is something which this nation is likely to have to bear not only during wartime but for many a long year to come. Canada is not likely ever again to be able to leave her defenses to be looked after by someone else.

So rapid and so overwhelming have been the events of recent months that most of us scarcely realize the cataclysm that has come about and which is changing irrevocably the social, political, economic and financial institutions to which most of us have become accustomed.

Most of these changes are as yet too uncertain and unpredictable to be discussed except in the most general terms. This much, however, seems certain, namely that Canada must be prepared, for the next 10 or 20 years, to divert a substantial share of her national wealth and income to the production of armaments and munitions of war.

Last week Col. Ralston paved the way for a tax and revenue structure which, when fully productive, will net the Federal Government something between $900 and $1,000 millions of dollars annually. Of this, about half is to be spent to meet "ordinary" expenses of government. The remainder is to go toward the cost of armaments and military preparations.

Throughout most of her national life, Canada has escaped non-productive expenditure of this type. Yet despite our freedom from this millstone, we have piled up governmental debts totalling something like $8,000 millions.

Now it seems certain that we, along with the United States, must add to our ordinary scale of public spending a huge sum—perhaps 10% or more of our entire national income, to create defensive weapons of war.

In wartime, citizens are willing to make sacrifices to defend their soil, their property and their way of life. They bear new tax loads unflinchingly.

But if the load, or a large part of it, must continue to be borne, then a new approach to government spending in other fields is called for. We can not afford the luxury of competitive railway services if we have to maintain a larger navy. We can not provide the ultimate in feather-bed social services if we have to keep a large standing army. We can not afford losing governmental business enterprises if we have to protect our thousands of miles of frontier against air attack.

Right now, our governments are maintaining 90 per cent or more of the normal peacetime luxuries of government and trying to fight a war.

We need to strip our normal governmental activities of frills and frippery. If we do that, if we cut out wastes and extravagance, we can find much of the money needed to pay for the war; and more than enough to pay for our continuing new defenses without lowering the standard of living.

Editorials in Brief

Enterprising Canadian news hawks have found out that Wendell Willkie has a sister living in Hamilton, Ont. More pertinent information for many Canadians would be to know the new candidate's views on the St. Lawrence Power and Seaway project.

• • •

Vancouver is to be congratulated on having gone over the top in its joint war services campaign. An objective of $200,000 has been exceeded by nearly $40,000.

Here's an effective, triumphant answer to pessimists who claim "it can't be done" and that joint campaigns invariably fall short of their objective. What is more, the joint effort saved citizens of Vancouver $25,000 in unnecessary overhead costs.

• • •

More and more the trend is toward simplified exposition of the financial figures of companies. This is particularly important in the case of life insurance companies and banks which deal with thousands of people to whom balance sheets are mysteries.

A good example of a lucid statement of big figures is the booklet Metropolitan Life policyholders have just received, reporting on the company's business in 1939. It tells in simple language the experience of the company in 1939; what the company did for the policyholders and the position in which it itself finished the year.

It tells of the services the agent is prepared to give and of the work the company does through its educational programmes and nursing services to help the policyholder to live longer.

It includes with it a special folder dealing specially with the activities in Canada where it has been operating for 68 years.

The ordinary balance sheet statistics, of course, are included. But the items are explained in everyday language, so that the ordinary person can understand.

The Canadian Editorial of the Week

Col. Ralston's Supreme Task

Toronto Globe and Mail

The direction of the Department of National Defense . . . . . is perhaps the most important one in Canada at the present time. By his (Col. Ralston's) own admission, the Hun is hammering at the gate. It is the most critical hour in Canadian history and Colonel Ralston has a lively sense of his heavy responsibility.

Lightning changes in the military situation in Europe demand reorganization in Canada's war administration to ensure that the most brilliant military minds available shall be applied to the task of mobilizing, training and directing the fighting forces of the nation, who must be speedily equipped with the most modern engines and weapons of war.

There is a widespread suspicion that all is not well with the headquarters staff at the Department of National Defense and it is not improbable that Colonel Ralston will find it necessary to reorganize various branches of the department, but more especially to replace administrative heads who are hopelessly entangled in red tape and are still thinking in terms of bows and arrows rather than of tanks and motorized troops.

It is reliably reported that those responsible for the acquisition of war supplies and machinery are being frustrated by so-called military experts who cannot tell them what equipment is needed. Parliament has appropriated hundreds of millions of dollars for armaments, Cabinet Ministers toil night and day and industrial leaders are giving their services to the country for $1 a year, all to little or no avail because brass hats who belong to the Victorian era and ought to be on the retired list have bogged down our war machine and are impeding further progress.

There will be no disposition on the part of anyone to dictate to Colonel Ralston, who not only is an efficient administrator, but also has proved his military capacity on the field of battle. If Colonel Ralston finds on the headquarters staff alleged experts who are letting Canada down he will not hesitate to dispense with their services. Anything short of the most successful direction of the Department of National Defense imperils the nation and the Empire. It will be Colonel Ralston's unpalatable but inescapable duty to get rid of men who are hindering our military projects. Cabinet Ministers and dollar-a-year executives will burn the midnight oil in vain if their efforts are rendered ineffective by incompetence on the general staff.

Sayings of the Week . . .

"Any truth will be disbelieved if it is big enough."—*Hermann Rauschning.*

"The man with the quiet voice wins more often than the man with the loud voice."—*Sir William Crawford.*

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"Only an ostrich would look upon this war through the eyes of cynicism or ridicule."—*Franklin D. Roosevelt.*

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"Always remember that the negative and the disastrous get into the biggest type in papers the world over."—*Philip Guedalla.*

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"The price of government subsidy eventually calls for the sacrifice of personal liberty."—*Holgar J. Johnson, president, Institute of Life Insurance.*

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"It is a sheer paradox to talk at all about the economics of war, for war is a defiance of all economics."—*J. A. Macdonnell, President, National Trust Company.*

"The present fight for freedom will be finished again with a great and, I am convinced, a decisive victory for freedom and democracy in Europe."—*Dr. Eduard Benes.*

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"The peace settlement of 1919 was the first international settlement which its authors deliberately tried to erect upon definite ethical principles."—*Prof. R. W. Seton-Watson.*

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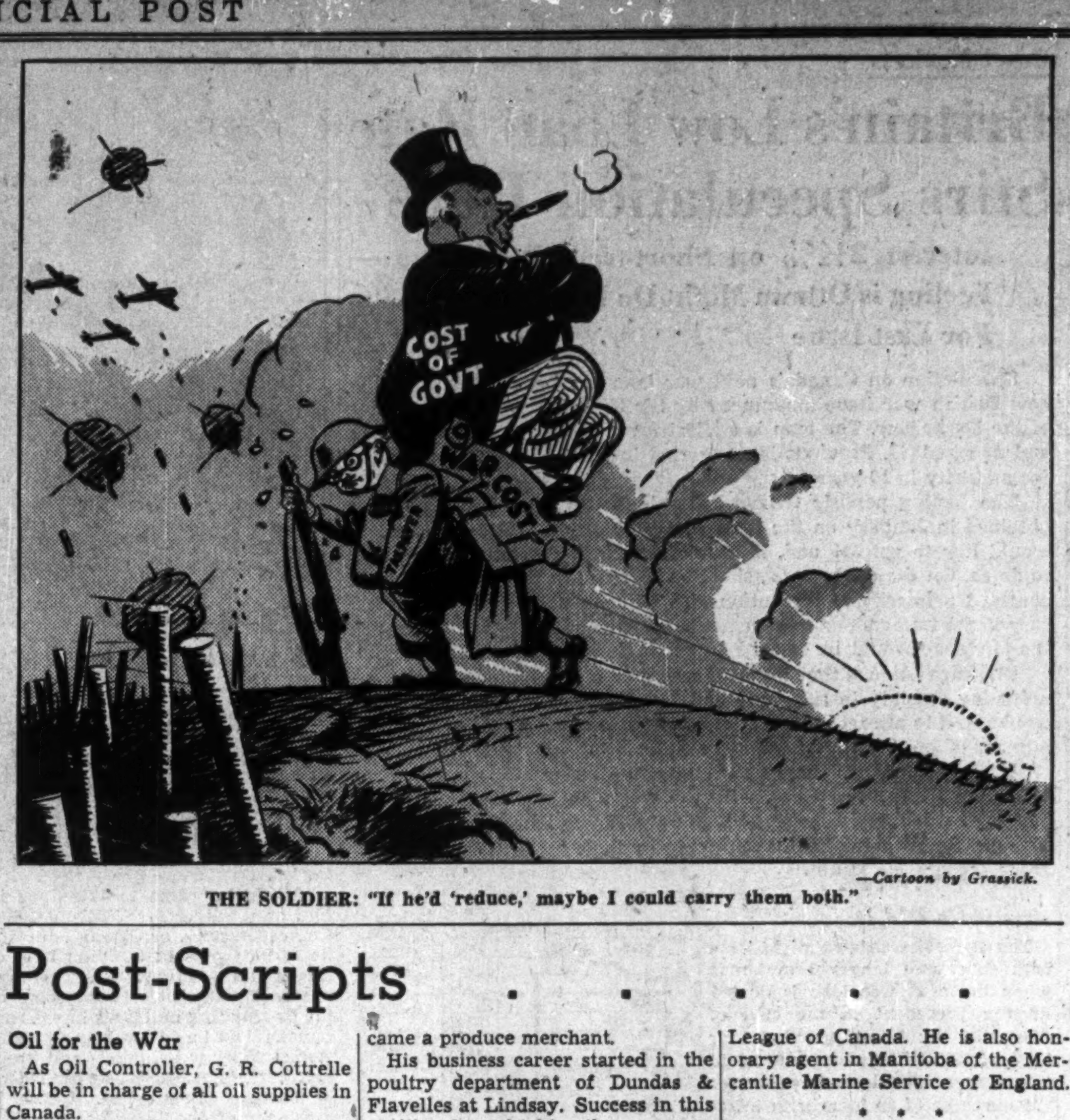
"The ideal of democracy is to guarantee to the individual the greatest possible freedom consistent with the well-being of society as a whole. The majority rules; the minority is free to persuade."—*Henry Goddard Leach.*

"The Communist Party as a propaganda agency in this country is washed up. The twin idea that the world must decide between Communism and Nazism is also out. They are, to borrow an old saying, two wings of the same bird of prey."—*Raymond Moley.*



THE SOLDIER: "If he'd 'reduce,' maybe I could carry them both."

—Cartoon by Grassick.

Post-Scripts . . . . .

Oil for the War

As Oil Controller, G. R. Cottrelle will be in charge of all oil supplies in Canada.

It will be his job to see that adequate quantities of airplane, naval and motor fuel are available where and when needed both in Newfoundland and in Canada.

G. R. COTTRELLE

Mr. Cottrelle comes well equipped to his new job for he possesses marked organizing ability. He is not an oil man but he has had wide industrial experience. Many a rundown company has been placed under his care to emerge, in due course, sound and vigorous. Even companies which were in good health have benefitted by his advice.

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Mr. Cottrelle started life in a field far removed from finance. He attended the Ontario Agricultural College and was for some years with the Ontario Department of Agriculture under the late Hon. John Dryden. Later he became associated with the old Union Trust Co., from which he resigned to open a reorganization office in Toronto, later moving to New York.

In 1917 he came back to Toronto to organize the finances of the Independent Order of Foresters. On the death of the Supreme Treasurer, he was appointed to that position in 1920. In 1925 he joined the head office staff of the Canadian Bank of Commerce as Corporation Executive, acting as a sort of liaison officer between the bank and companies which might need expert aid.

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His advice on industrial problems is highly regarded and he is on the board of a number of Canadian industrial concerns. He is president of the Western Canada Flour Mills Ltd. and of the Maple Leaf Gardens, vice-president and director of Canadian Associated Aircraft Ltd., director and member of the executive committee of the Royal Winter Fair, director of the Hamilton Bridge Co., Asbestos Corporation Ltd., St. Lawrence Corp. and Foster Wheeler Ltd. He is also a trustee of the National Sanitorium Association.

Mr. Cottrelle's chief hobby is horseback riding. On his farm north of Toronto, he has a number of the finest jumpers in the country which he and his son J. E. Cottrelle delight in showing at different exhibitions.

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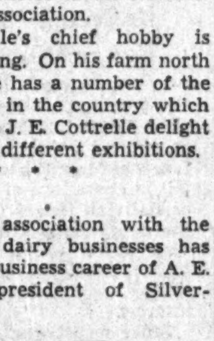
Dairyman

A lifelong association with the produce and dairy businesses has made up the business career of A. E. Silverwood, president of Silverwood Dairies Ltd. who was recently elected to the board of Dairy Corp. of Canada. This appointment marks the first extension of Mr. Silverwood's interests out of Ontario, where his own operations have been centred for years. Dairy Corp. disposed of its Ontario interests last year and now concentrates on western Canada.



A. E. SILVERWOOD

The present Silverwood Dairies is the culmination of a long programme first of expansion then of consolidation. Even in the later stages, however, the idea of growth has not been forgotten. This year a plant in Hamilton was bought.

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Born in 1876 on a farm near the village of Oakwood in Victoria County, Ontario, Albert Edward Silverwood first gained fame as provincial amateur bicycle champion in the early 1890's. His first ambition was to be a lawyer and to gain this end he worked his way through school and taught for five years as teacher in a country school while studying university work. But instead of becoming a lawyer he became a produce merchant.

His business career started in the poultry department of Dundas & Flavelles at Lindsay. Success in this position brought him the managership of the firm's new branch in London in 1903. This branch developed the largest produce business in Canada by 1907 and in 1909 was incorporated as Flavelle-Silverwood Ltd. In 1912, the firm's name was changed to Silverwood's Ltd.

By this time the firm, now financed largely by local London capital, had made the butter business the largest end of its operations. Ice cream was added in 1918 and Silverwood's soon became western Ontario's largest ice cream seller. The impetus to establish branch plants came from increases in express rates on ice cream. From 70 cents a tub, rates on ice cream from London to Chatham, about 70 miles away, went to $1.70. Mr. Silverwood's answer was to buy a fleet of trucks in 1918 and acquire plants in many centres, particularly during the period from 1922 to 1928. By the latter year he had 28 companies in his chain.

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Capital for this expansion was supplied largely from local sources in centres where a new Silverwood plant was being established. Stock was sold to employees, customers, and farmers who supplied the milk and cream. Former owners of plants incorporated into the Silverwood system took stock for payment. This plan, however, nearly resulted in disaster in the early years of the 1930 depression period. Dividends were paid at rates taking up all the profits earned. Ice cream sales held up well in the early depression years but a 40% decline finally hit the company. These problems were met by a programme of consolidation, reduced overhead expenses and aggressive sales. Today Silverwoods Dairies, reorganized in 1936, has cleared up preferred arrears and is perhaps approaching the time when common shareholders can expect a dividend.

Mr. Silverwood has found time to take active part in public affairs in London, particularly in educational and hospital activities. Like many other successful business builders, Mr. Silverwood stresses the importance of personnel in his enterprises. From the driver of his delivery wagons to the top executives, each is the personal representative of the business, having a vital part to play in its success.

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Four Schoolboys

In his weekly newsletter published in the Brampton Conservator for the benefit of those "back home," Gordon Graydon, M.P. for Peel County, tells about the little red schoolhouse which has sent to the present Parliament a unique roster of four sitting members.

Says Mr. Graydon:

"Plains Road School in East York 35 odd years ago was attended by four boys who in the year 1940 were elected as members of Parliament, Joe Harris, Bill McGregor, George Tustin, and Johnny Diefenbaker, like to recall the old public school days. A lot of water has passed under the bridge since they sat together in the little red school house. It is a most unusual coincidence that they should all be here together."

Naval Liaison

Commander Eustace Brock, Royal Canadian Naval Volunteer Reserve, has been appointed to the Admiralty in London as liaison officer with the members of the R.C.N.V.R. now serving with the Royal Navy.

Commander Brock, who, in civil life is secretary of the Great West Life Assurance Co., Winnipeg, of which his father was the founder, has had a long association with the navy both in Canada and Great Britain. He served for several years with the Royal Navy in the last war and in 1923 when the Winnipeg division of the Royal Canadian Naval Volunteer Reserve was formed, he was charged with its organization. He has served as honorary aide-de-camp to the Governors-General of Canada since 1931.

Commander Brock was born in Winnipeg and attended McGill University, Montreal. He is a member of the Board of Governors of the Canadian Corps of Commissionaires, a member of the provincial executive of the Boy Scouts Association, and of the executive committee of the Manitoba Division of the Navy League of Canada. He is also honorary agent in Manitoba of the Mercantile Marine Service of England.

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Canadian Club Head

The name of Colonel James Mess is again in the news. This time he is newly elected president of the Association of Canadian Clubs.

COL. JAS. MESS

The last time Colonel Mess appeared in the public prints he had had an untimely task to perform.

The day was June 10, 1940. The scene: a crowded banquet hall at the Royal York Hotel, Toronto.

For more than an hour hundreds of leading business and professional men from Toronto and vicinity had been waiting patiently for Hon. Norman Rogers, then Minister of Defense, to appear. As the moments sped by, the chairman, Fred Gaby, president of the Empire Club of Canada, announced that he had received a copy of Mr. Rogers' speech. "Was it their wish that someone should start to read it?"

As it was then almost 2 o'clock (the time when most luncheon meetings adjourn in Toronto) there was a reluctant "yes."

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From a crowded head table of Toronto's great and near-great the chairman called on Colonel Mess to begin reading the manuscript. He knew the Colonel's vigorous Scottish accent would do ample justice to the Rogers' script.

Colonel Mess kept on reading the speech, of course. For Mr. Rogers never arrived. Unknown to Colonel Mess and the combined Canadian-Empire Club audience he had died a few minutes before when his plane crashed between the Trenton airport and Toronto.

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Toronto audiences first got to know Colonel Mess when he was made president of the local Canadian Club in 1936. Born in Dundee, 50 years ago next month, he served an engineering apprenticeship in the thorough Scottish fashion with James Carmichael & Co., engine builders of his native city. He came to Canada as a young man of 20 and got a job as assistant manager, Cobourg Matting & Carpet Co. Three years later he was night superintendent with a mining firm in Black Lake, Quebec. In the last war he served as a machine gunner from Jan., 1915, until the Armistice, rising to command a unit of his own.

After demobilization he was appointed assistant works manager, Lever Bros., Toronto. Two years later, works manager. In 1922 he became president and general manager of the Dominion Flow Meter Co., steam specialty engineers. He also organized Diesel Power Co. to represent in Canada, Diesel Engine Manufacturers and the Whiting Corporation. Another company in which he is now interested is the Niagara Screens & Machines Limited.

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Colonel Mess nearly entered the political field at the last general election. There were widespread reports that he would contest one of the local Toronto ridings on behalf of Dr. Manion's National Government. In the end the old line candidate won the nomination but lost the election. The vote was close enough to suggest that if Colonel Mess had been running, the result might have been different.

As it is, his immediate public service job for next winter will be to encourage and foster increased war effort and consciousness among the far-flung Canadian Club organizations throughout the Dominion.

Stop Me If . . . . .

"Sorry, I shall be using my lawn mower this afternoon, and the roller, and the fork."

"Oh, well, may I borrow your golf clubs?"

As Others See Us . . . .

Mobilizing Manpower in Canada
Moncton Times

Hundreds of thousands of Canadians are appealing to the nation to use their strength and skill, somehow, somewhere, in this conflict. One such, a leading young businessman on the Pacific Coast, has written to The Financial Post to tell of the continued rebuffs and disappointments that have greeted his efforts to link up with the Air Force, the infantry, an officers' training corps.

The Post advocates that steps should be taken now to put mobilization of manpower in the hands of men of proved ability and experience—men who can get results and get them quickly.

Men of Action
Hamilton Review

Among many newspaper references to the appointment of Lord Beaverbrook to the all-important job of speeding up Britain's air production, we liked, most, the comment of Atticus, The Financial Post's London correspondent.

There is a touch of irony in the fact that while Canadians have waited patiently, and perhaps in vain, for a "man of action" to appear, it is a Canadian who has become one of Britain's outstanding men of action in recent days.

In England it seems to be the consensus that if anyone can get the planes which Britain needs so badly and in a hurry, it is "the Beaver"—a Canadian with rare genius for organization and productive capacity. Surely Canada never had greater need for such a Canadian in her own dilemma.

These Are Not "Fifth Columnists"
Owen Sound Sun Times

There is a whole lot of common sense in the article in The Financial Post under this heading, reprinted on this page.

We are not prepared to judge whether, as The Post charges, there has been "incredible slackness" on the part of the Canadian authorities in not interning more than 260 (net) enemy aliens; but we fully agree that nothing is to be gained and that much may be lost if Canadians engage in the "witch-hunting" campaign which some advocate.

To demand that all of Canada's new citizens who have come from countries now occupied by Germany should be interned is sheer idiocy. These immigrants — who, without doubt, were subjected to careful scrutiny by the Immigration Offices—are, most of them, substantial citizens who left their homes in Europe to escape the plague of Hitlerism and are establishing homes and setting up industries in this country where they could be free to live as God intended them to live. We invited them to come; we were delighted to welcome them; and when the war is over we shall be inviting more of them.

But what chance shall we have of getting any of them if, in a fit of hysteria, we abuse and maltreat people whom we were glad to welcome only a few months ago

To quote the Post: "'Fifth Columnists' do not come to Canada with millions of capital. Men who build factories, build expensive homes and stake their all in this country are not likely to be Fifth Columnists."

Other People's Views . . . :

Canada's War Effort
Halifax Herald

While many of us in Canada have been free with our expressions of concern about what was being done in Great Britain, to be consistent—and to play our own full part—we must see to it that nothing is left undone that can be done to develop the maximum war effort within Canada's borders.

That is the spirit and demand of the Canadian people.

Tourist Opportunities
Brantford Expositor

Canadians from the Atlantic to the Pacific should exercise the utmost diligence to encourage (tourist) traffic, and to make visitors from the United States enjoy themselves so thoroughly that they will go back to their homes and give the Dominion the greatest practical advertisement as a holiday centre that it has ever received.

It is an opportunity that Canadians cannot afford to overlook.

Many Visitors
Saskatoon Star-Phoenix

In the coming summer months Canada expects about 20,000,000 visitors from the United States. They will penetrate to every corner of the Dominion. Their curiosity about Canada at war will be great and, as it happens, they can satisfy that curiosity just as much as Canadians can.

So Canadians should be prepared to talk intelligently about the issues at stake, talk with clarity but with restraint and moderation. It is something of which the individual who will make contact with them may well do some thinking.

Let's Not Expect Tourist Miracles
By Douglas Oliver*

(Guest editorial briefed from Canadian Hotel Review and Restaurant)

Let's forget about bumper years. Let's for once cease shooting at the moon. Let's endeavor, merely by general co-operation of all interested in tourism, to hold our 1940 business to the mark of last year. If we can do that in the face of present unsettled conditions, we'll be working a miracle.

In working that miracle we must count upon the municipalities for greater effort than ever before. A municipality should capitalize to the limit on its tourist attractions. If a municipality has no distinctive tourist appeal, it should set about acquiring it, developing it, and publicizing it.

Everywhere local restrictions should be swept as far as possible from the tourist's path. Local courtesy should be practised this season on an unprecedented scale. The main effort of every community should be to so organize its attractions, its entertainment, and its hospitality as to influence the average American visitor there into extending his contemplated stay.

*Director, Travel & Publicity Bureau of Ontario.

Week in Business

Business Appraises Effect of Budget

Exchange Impost Seen as Curtailing Imports of Non-essentials from Foreign Countries – Western Sentiment Improves With Crops

Canadian business has been busy appraising the effect of the budget. Among importers there is considerable speculation regarding the 10 per cent exchange tax levied on imported goods from countries with which there is no preferential tariff agreement. It is expected it will curtail imports from non-Empire countries of goods not absolutely essential. The Finance Minister in his address pointed out that the object of the tax was to protect Canada's foreign exchange.

In general it is felt the cost of living of the Canadian people will be increased.

This, however, like the higher income taxes, is accepted as part of the general burden of the war.

Businessmen point out that they have not yet had time to adjust themselves to changes brought about by the increase in taxes on both the individuals and on business. Buying of non-essentials, however, it is felt will be discouraged and the taxes generally have the effect of diverting industrial effort to war needs.

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Apart from this, business has been showing considerable improvement. The Financial Post Business Index for May as revised at 136.2 stands at the highest level of any month since the record was established in 1919. The increased activity was especially noticeable in industries engaged with war orders. Iron and steel plants were busy and there was also increased consumption of cigarettes, larger hog slaughterings, and newsprint production. Freight movement also was heavier. Speeding up of Canada's war effort is expected to accelerate the business expansion.

General trade has been well maintained, especially in food and grocery lines, metal markets and building trades. Home furnishings are also stated to be in good demand, especially in the larger cities.

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In the western provinces there has been considerable improvement in sentiment owing to the promising crop prospects. These at last reports indicate a good crop in the making which at present prices would mean a good return to the farmers.

Business sentiment in the United States continues to improve under that country's rearmament programme. As this programme gets under way, it is bound to have a constructive effect on conditions in this country. In some quarters it is feared shortage of skilled steel workers will be a handicap as work gets well under way in both countries.

Business Indicators

Current business active with D.B.S. index of business activity for week ended June 22 slightly above previous week and last year.

Carloadings for week ended June 22 almost a third larger than a year ago. Total for year to date up 16%.

Railway net revenues up for May, C.P.R. gaining about 25% over last year.

Construction contracts awarded in June about 56% above last year. Cumulative for six months up over 50%.

Sea fisheries show increased catch and landed value for May, total for five months up 35% and 20% respectively.

Trend of business shown by The Financial Post Business Index and following key factors, new items for the week being marked thus ▪.

TREND OF BUSINESS—	June 22	June 15	June 8	June 1	June 24/39
Weekly index of business, D.B.S.	104.4	104.3	103.1	105.3	103.4
Commodity prices index no.	81.5	81.8	81.9	81.7	73.3
	May	Apr.	Mar.	Feb.	Year Ago
The Financial Post business index	*136.2	133.5	129.5	132.9	116.3
Retail sales index no.	....	87.1	83.6	84.4	79.0
Dept. store sales index no.	82.8	84.6	76.6	82.6	75.2
Wholesale sales index no.	....	107.7	97.1	92.2	91.1
Country store (% change pr. yr.)	....	+6.8	+8.8	+12.5	—12.6
EMPLOYMENT Index No's., D.B.S.	May 1	Apr. 1	Mar. 1	Feb. 1	Year Ago
All industries	114.3	111.9	113.5	114.4	106.2
Manufacturing	125.7	123.4	122.6	120.5	108.4
Wage earners, no. 000's	....	....	2,304	2,338	2,161
Living costs weekly budget	$17.85	$17.76	$17.75	$17.71	$17.02
			Jan. 1 to date		%
RAILWAYS—	1940	1939	1940	1939	Change
▪Carloadings (week June 22)	59,400	45,366	1,243,137	1,070,169	+16.1
C.N.R. gross (week June 21) $	5,063,551	3,470,811	107,131,411	82,864,901	+29.3
C.P.R. gross (week June 21) $	3,430,000	2,363,000	70,657,000	58,592,000	+20.6
C.N.R. net revenue (May) $	3,511,934	1,473,034	10,638,876	•493,321	.....
▪C.P.R. net revenue (May) $	2,464,383	1,906,955	9,712,951	4,288,025	+126.5
IRON AND STEEL—(May)—					
Pig iron production (tons)	93,254	57,746	460,971	243,716	+89.3
Steel ingots and castings prod. .... (tons)	174,417	121,413	792,033	472,239	+67.7
AUTOMOBILES—(Number)—					
Passenger Cars:					
Domestic sales* .. (Apr.)	15,396	14,255	40,425	31,555	+28.1
Factory output ... (May)	12,677	11,585	63,547	*59,383	+7.0
Trucks and Buses:					
Domestic sales* .. (Apr.)	3,404	3,113	10,105	7,633	+32.4
Factory output ... (May)	8,600	4,121	29,435	19,857	+48.3
Exports .... (May)	4,276	5,496	19,594	28,717	—31.8
Financing:					
Used .... (May) $	5,410,156	4,832,390	16,594,063	13,970,786	+18.8
New .... (May) $	5,089,575	4,515,982	15,788,322	12,371,257	+27.6
CONSTRUCTION—					
▪Contracts awarded . (June) $	39,097,000	25,196,300	125,435,500	83,445,900	+50.3
Cement prod., bbls. (Mar.)	252,000	209,000	647,345	442,917	+46.2
AGRICULTURE—					
Flour prod., bbls. .. (Apr.)	1,344,293	1,113,693	5,114,428	4,442,618	+15.1
Flour exp., bbls. ... (May)	722,595	515,778	3,242,698	1,822,109	+77.9
Wheat exp., bush. . (May)	23,466,320	13,655,266	54,132,175	36,676,451	+47.6
Cattle sales▴ .... (May)	73,908	92,255	376,899	389,149	—3.1
Hog sales▴ .... (May)	402,991	312,393	1,999,245	1,377,205	+45.1
SEA FISHERIES—‡					
▪Catch cwts. .... (May)	1,007,600	999,900	3,935,650	2,897,950	+35.8
▪Landed value ..... (May) $	1,713,000	1,818,400	4,546,200	3,813,850	+19.2
NEWSPRINT—					
Production, tons .... (May)	323,563	250,015	1,326,644	1,100,519	+20.5
Exports, tons ...... (May)	301,209	244,399	1,184,488	970,462	+22.0
MINING AND OILS—					
Coal prod., tons ... (Apr.)	1,252,190	912,327	5,801,463	4,589,174	+26.4
Coal imports, tons . (Apr.)	595,297	264,520	1,940,612	1,701,083	+14.0
Gold prod., fine oz. (Mar.)	428,962	414,217	1,258,708	1,216,508	+3.4
Crude oil prod., bbl. (Mar.)	370,100	385,300	1,712,559	1,276,666	+34.1
Crude oil imp., bbl. (Apr.)	1,524,857	1,291,714	6,373,543	6,110,074	+4.3
ELECTRIC POWER OUTPUT—(May)—					
▪Total monthly, 1,000 kw.h.'s	2,671,567	2,333,443	12,389,620	11,498,715	+7.7
FOREIGN TRADE—♦					
Imports .... (Apr.)	85,979,519	41,908,347	304,859,113	184,412,109	+65.4
Exports .... (May)	110,763,709	80,774,128	442,089,435	330,896,542	+33.6
OTHER INDUSTRIAL FACTORS—					
Dressed lumber exp.: 1,000 bd. ft. ...... (May)	160,223	165,539	739,828	724,003	+2.1
Shoes, prod., pr. ... (Apr.)	2,186,128	1,774,578	8,781,974	7,360,581	+19.3
Cotton imports, lb. .. (Apr.)	18,300,000	4,467,000	80,174,000	25,142,000	+219.2
Raw rubber imp., lb. (Apr.)	6,856,788	3,284,596	31,612,559	18,465,739	+71.4
Cigarette cons. No.† (May)	808,275	625,868	3,125,320	2,635,322	+18.6
Sugar manufactured .. lb.§	93,878,138	98,295,223	276,339,768	207,845,885	+33.0
FINANCE—					
Bank debits† .... (May) $	3,339,595	2,839,207	14,320,105	12,302,222	+16.4
Bond sales† .... (May) $	480,699	218,603	1,098,625	694,112	+58.2
Life insurance sales (May) $	31,779,000	30,123,000	159,838,000	146,159,000	+9.3

*D.B.S. All Canada figure covering over 90% of the Canadian total.
†000's omitted. §For four weeks to May 18, 1940. ♦Gold excluded.
‡Unrevised figures covering N.S., P.E.I., N.B., Que., B.C. *Final.
▴Total at yards and plants. •Deficit.
New items for week marked ▪

C. P. Earnings Continue Gain

From Our Own Correspondent

MONTREAL.—Net earnings of Canadian Pacific Railway Co. during May increased by $557,428, or 29.2% over the same month last year. Net in May, 1940, totalled $2.5 millions, compared with $1.9 million in May, 1939.

Net earnings in the five months to May 31 were higher by $5.4 millions, an increase of 126.5% over the corresponding five months last year. Net earnings during May, 1940, amounted to $9.7 millions, against $4.3 millions in the same period of 1939. Following are comparative earnings figures for May and the five months' period:

Earnings Statement

May:	1940 $	1939 $	Incr. $
Gross earns.	13,511,521	11,994,295	1,517,226
Oper. exp. ..	11,047,137	10,087,339	959,798
Net earns. ..	2,464,384	1,906,956	557,428
Five Mos. end. May 31:			
Gross earns.	61,192,964	51,453,687	9,739,277
Oper. exp. ..	51,480,012	47,165,662	4,314,350
Net earns. ..	9,712,952	4,288,025	5,424,927

War Disturbs Fish Markets

Extension of hostilities to the Mediterranean will have a serious effect upon the salt codfish industry of Newfoundland. The war closes for the present at least markets in Italy, Greece, Malta and Madeira, and may also affect Spain and Portugal. All these countries have taken considerable quantities of fish from Newfoundland.

Other principal markets for salt codfish are Brazil, Puerto Rico, Cuba, United Kingdom and French West Indies.

Exports from Newfoundland last month were 114,036 quintals of shore and Labrador fish and 4,300 cwt. of salt bulk, against 44,414 quintals of shore and Labrador fish in the corresponding month last year, and 505 cwt. of salt bulk fish. Total exports for the 11 months from June 1 to May 31 in the current year were 906,996 quintals of shore and Labrador fish and 80,825 cwt. of salt bulk.

Business Over 1939 Level In All Economic Areas

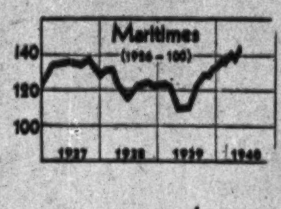
Business activity in Canada in May showed considerable improvement over last year in all five economic areas. The greatest relative expansion was in the Maritimes, where a gain of over 30% occurred. In the other provinces, the gains ranged from 7% in British Columbia to almost 15% in Ontario.

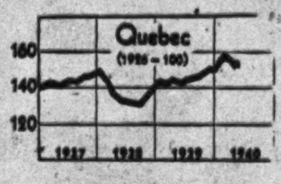
Building permits and electric output after seasonal adjustment showed gains in each of the five areas. Employment improved in all areas except the Maritimes where the recession was slight. Industrial activity increased in Ontario and Quebec.

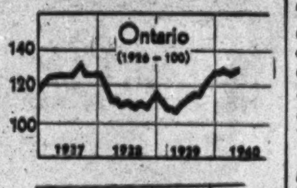
Trend of Business in Economic Areas

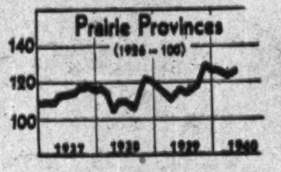
	May 1940	Change from May 1939 %	April 1940
Maritimes:			
Constr. contr. .... $	826,000	—35.0	1,152,000
Bldg. permits .... $	738,000	+115.2	475,000
Life ins. sales .. $000	2,500	+13.8	2,323
Bank debits $000,000	71.8	+9.1	67.0
Elec. pwr. .. kw.h.	78,852	+8.3	75,779
Employment*	117.0	+7.9	112.8
Exports .... $	22,236,777	+113.9	38,352,835
Index	144.5	+30.5	140.2
Quebec:			
Constr. contr. .... $	8,877,000	+107.0	8,583,000
Bldg. permits .... $	2,895,000	+44.9	2,320,000
Life ins. sales .. $000	8,336	+3.8	8,716
Bank debits $000,000	977	+10.8	827
Elec. pwr. kw.h. 000	1,092,838	+13.7	912,654
Employment*	123.0	+1.7	113.9
Imports of cotton, raw, ... lb.	15,341,202	+17.0	18,290,791
Newsprint prod. tons	323,563	+29.4	268,947
Index	154.1	+8.6	184.1
Ontario:			
Constr. contr. .... $	14,113,000	+30.0	13,920,000
Bldg. permits .... $	6,122,000	+143.8	5,633,000
Life ins. sales .. $000	14,007	—11.0	14,496
Bank debits $000,000	1,403	+8.3	1,326
Elec. pwr. kw.h. 000	946,831	+19.2	884,048
Employment*	126.6	+11.4	121.0
L'stock slaughter.* .	177.5	+27.6	177.2
Steel prod. .... tons	174,417	+43.7	153,481
Auto. prod. ..... no.	21,277	+35.5	19,687
Index	129.7	+14.8	128.1
Prairies Provinces:			
Constr. contr. .... $	2,343,000	+62.7	1,040,000
Bldg. permits .... $	1,718,000	+55.8	1,090,000
Life ins. sales .. $000	3,917	—13.8	3,625
Bank debits $000,000	710	+62.5	540
Elec. pwr. kw.h. 000	186,856	+5.3	188,490
Employment*	107.4	+6.3	100.2
Wheat receipts . bu.	7,033,000	+39.8	6,011,000
Wheat prices **	79/6	+21.2	80/2
Index	127.3	+10.7	125.2
British Columbia:			
Constr. contr. .... $	1,935,000	+276.5	1,210,000
Bldg. permits .... $	1,663,000	+117.1	1,411,000
Life ins. sales .. $000	2,609	—1.1	2,739
Bank debits $000,000	177.7	+11.9	176.4
Elec. pwr. kw.h. 000	172,737	+6.0	167,150
Employment*	112.0	+5.1	107.2
Exports .... $	8,420,933	—28.6	12,419,165
Index	131.2	+7.1	129.5

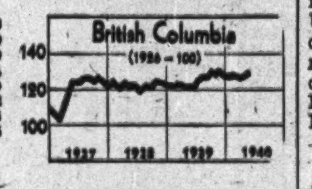
*1926=100.
**Cents and eighths of a cent per bushel.











New Construction Total Highest in Ten Years

Work Traceable to War Pushes June Volume to $39 Millions

Swollen with a big volume of work directly or indirectly arising out of the war, total of new construction launched in Canada in June rose to $39,097,000, the highest monthly total reported since Nov., 1930. Compiled by MacLean Building Reports, the figure shows an increase of 55% over June, 1939, and 39% over May of this year.

Details of June Awards

	June 1940 $	June 1939 $
Apartments	624,400	998,600
Residences	7,847,300	6,908,800
Total residential ...	8,471,700	7,907,400
Churches	311,700	1,052,100
Pub. garages	240,800	311,800
Hospitals	452,200	1,008,700
Hotels, clubs	265,300	493,900
Office bldgs.	377,200	378,900
Public bldgs.	1,845,600	461,000
Schools	757,500	1,497,400
Stores	902,300	785,800
Theatres	83,500	181,000
Warehouses	856,300	298,100
Total business	6,092,400	6,468,700
Total industrial	9,531,500	4,637,700
Bridges	350,000	84,700
Dams, wharves	nil	1,346,400
Sewers, watermains .	98,400	326,200
Roads, streets	9,279,300	4,039,100
Genl. engineering ...	5,273,700	386,100
Total engineering ..	15,001,400	6,182,500
GRAND TOTAL	39,097,000	25,196,300

Cumulative total for the first half of the year stands at $125.4 millions, reflecting a gain of $42 millions or 50% over the like period of 1939. Half of the increase in amount was contributed by a jump in the engineering classification of projects, which includes the active highway and airport work undertaken in many sections of the country.

Similar trends were reflected in the June figures, which also recorded a modest gain in residential construction. However, building of dwellings is still lagging slightly (2%) behind last year in the cumulative figures. Bulk of the increase in the June total as a whole came from the engineering subtotal, which in turn was expanded chiefly by award of 33 highway contracts in Quebec province ($3.8 millions), 15 air field contracts in Ontario ($2.6) millions), and 6 airports in Saskatchewan ($1.3 million).

Current Trends Of Construction

Trends of construction activity in Canada last month, and so far this year, broken down according to chief categories of projects started, are shown in the following tabulation by The Financial Post from the monthly building statistics of MacLean Building Reports.

CONSTRUCTION CONTRACTS AWARDED
First Six Months

	1940	1939	—Change— 1940	%
	—Millions of $—			
Residential..	32.5	33.3	—0.8	—2
Business	34.2	23.6	+10.6	+45
Industrial ...	23.8	12.3	+11.5	+93
Engineering	34.8	14.0	+20.8	+148
Total	125.4	83.4	+42.0	+50
June Totals				
Residential..	8.5	7.9	+0.6	+7
Business	6.1	6.5	—0.4	—6
Industrial ...	9.5	4.6	+4.9	+106
Engineering.	15.0	6.2	+8.8	+142
Total	39.1	25.2	+13.9	+55

"My National Life Policy Creates an Estate for the Protection of My Family" said Howard R. White, prominent London business man and sportsman, when discussing the advantages of his Life Insurance.

Daily, such men as Mr. White, who are providing financially-independent futures for their families through National Life policies, endorse Insurance as the soundest means for planned economic security.

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Keeping Posted . . .

By JOHN C. KIRKWOOD

JOHN C. KIRKWOOD

Air-conditioning is not just a contribution to personal comfort; also, it can be a contributon to personal efficiency and health. Here's the way Modern Power and Engineering put it in telling about the air-conditioning of the main office building and city market depot of Canada Packers, Montreal: "As the air plant is located in an industrial section of the city with abattoirs, meat packing plant, steel plant, coal storage dump, and ships canal in the vicinity, there was a definite need for protection against dirt, dust and odors—more especially in summer time, when the climate is hot and humid. The new installation was made to combat these adverse conditions, to offset the loss of time and effort occasioned by resulting discomfort, and also to combat common colds arising from drafts during winter time."

This Canada Packers building gave the air-conditioning engineers many special problems to solve. Thus, there was the low ceiling height and the extra heavy wooden beam construction in some of the departments served.

In this same issue of Modern Power and Engineering is an article about the largest centrifugal refrigerating machine planned in the United States, one with a capacity of 2 million lb. of ice (1,000 tons of refrigeration) every 24 hours. The contract has been given to York Ice Machinery Corp. by the Industrial Rayon Corporation.

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Joining the Air Force

If you know of any young man who wants to join the Air Force, then direct him to the June issue of Canadian Aviation, for it will answer scores of his inevitable questions. Articles in this June issue have titles as follows: "What Happens to a Recruit"; "Uniforms, Drills and Discipline"; "New Men 'Under Microscope.'" Rates of pay are given. The subject of the training of pilots, gunners, observers and mechanics is dealt with.

This June issue of Canadian Aviation contains 26 pages—104 columns—of names and addresses of firms which supply products and services to the aircraft industry in Canada—a directory which many, many persons and organizations have greatly desired.

• • •

New Highways

In the space of a single week two important mountain roads, motor roads—in Canada were opened—the Big Bend Highway in the heart of the Canadian Rockies in British Columbia, and the new Banff-Jasper Highway.

The Big Bend Highway, built as part of the Trans-Canada Highway, connects the towns of Revelstoke and Golden, and is 160 miles long. It completes the final step in linking the Pacific Coast and the Prairie Provinces.

The Banff-Jasper Highway — opened on Dominion Day—is 186 miles long, and, in the words of Maclean's Magazine for July 1, "threads through a country of breathtaking mountain scenery; links Banff, oldest of Canada's nineteen national parks, with Jasper, largest of the nineteen; two parks adjoining, but formerly separated by a tumbled sea of mountains impenetrable except by saddle-horse and pack-train."

The scenic beauties of the two roads are shown in several photographs in Maclean's.

• • •

Dressed Up

Wall-less refrigeration! Refrigeration in the open—localized refrigeration! This type of refrigeration is being used in a Windsor grocery store. Here's what Canadian Grocer says about it: "Immediately at the left front entrance is the mist spray vegetable stand. The stand is air-cooled with a fan. The bottom of the stand holds wire baskets or containers. This mist spray provides a vapor that does not soak vegetables and fruits. Through pressure it breaks a needle-thick water stream into a fine fog. Falling this fog-thin mist evaporates quickly, thus lowering the temperature through natural refrigeration. This fine mist, it is claimed, merely cools and seals in flavor and crispness."

This "natural refrigeration" is found in the new store of A. Allen. It is a fine "independent" store—about three times more spacious than was the old store. It is a self-serve store, with white steel shelving six feet high—which makes arm-stretching unnecessary to get wanted items. The wall behind a 28-foot meat case is panelled with a 2-foot-wide strip of mirroring, which finishes off most attractively the white block vitrolite wall panelling which rises to about a 5-foot height above the floor.

A CHECK-UP OF YOUR INVESTMENTS

A requisite of a sound investment portfolio is a periodic analysis by a competent investment consultant. This service may be obtained without obligation at any of our offices.

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Effect of the Excess Profits Tax

How will Canadian companies be affected under the new legislation?

What would have been the earnings per common share for the 1939 fiscal year if this tax was applicable?

These questions and others of vital interest to investors are covered in a survey of some fifty Canadian companies. Write for a copy of our pamphlet "The Excess Profits Tax 1940".

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"Already we can see evidence that shortages have appeared in certain types of skilled labor. To overcome this obstacle we must have the co-operation of Canadian employers in providing the necessary apprenticeship and other training. . . We must not allow bottlenecks to develop and retard our armament programme in this supreme emergency."

HON. J. L. RALSTON,
Minister of Finance.

In many Canadian industries there is a shortage of skilled workers; nor can this shortage be filled by drawing on other industries — or from the United States.

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Help meet Canada's existing industrial emergency . . . co-operate along the lines suggested by Mr. Ralston. Send today for information on I.C.S. Co-operative Training for your type of industry. Address: International Correspondence Schools Canadian, Limited, Montreal.

New Factors Swell Travel Within Canada

Canadians Are Turning To Holiday Resources Of Their Own Country

Factors pointing to increased volume of tourist and vacation travel in Canada this year by Canadians themselves, in addition to the expected larger flow of U. S. visitors, have multiplied in recent weeks. Probabilities now are that more Canadians than ever before—partly from inclination, partly from pressure of war-spawned restrictive influences—will turn to the magnificent, too-little-appreciated holiday resources of their own country.

Since the start of the war, of course, various elements have tended to curb the movement of Canadians out of the Dominion. Such elements have included the exchange discount on Canadian currency; the rising burden of living costs, taxation, and appeals for war finance aid; hazard of sea travel; and pressure of war duties and other exigencies.

New Factors

Within the past few weeks still other developments have arisen to brake the normal flow of Canadian travel to the U. S. and other countries. Among the more important of these new considerations are:

1. Recent U. S. regulation requiring Canadians entering the U. S. to carry passports after July 1. While the order has been modified to permit issue of $1 12-month passports and free visas by U. S. consuls, the bothersome and lengthy procedure of getting the passports from Ottawa and arranging for the visas will undoubtedly discourage many Canadians from touring or spending their holidays in the U. S.

2. The heavier taxation of the new Dominion budget and the 10% exchange tax on imports from the U. S. (including tourist duty-free merchandise) have accentuated the discouraging effect of the exchange premium on U. S. funds.

Canadians Interested

3. The intensified efforts of Dominion and provincial authorities, transport and resort interests, community and business groups to swell the U. S. tourist flow into Canada, and arouse Canadians to its importance, have focused widespread attention in this country on the tremendous variety and attraction of the Dominion's vacation facilities.

4. Completion of new roads, development of new resort accommodation and steady improvement of transport facilities have drawn a swelling volume of Canadians into the holiday areas of their native land. They have also encouraged the interchange of visits between different sections of the country and made it possible to traverse the Dominion by either private auto or ordinary methods of transport, without crossing the international boundary.

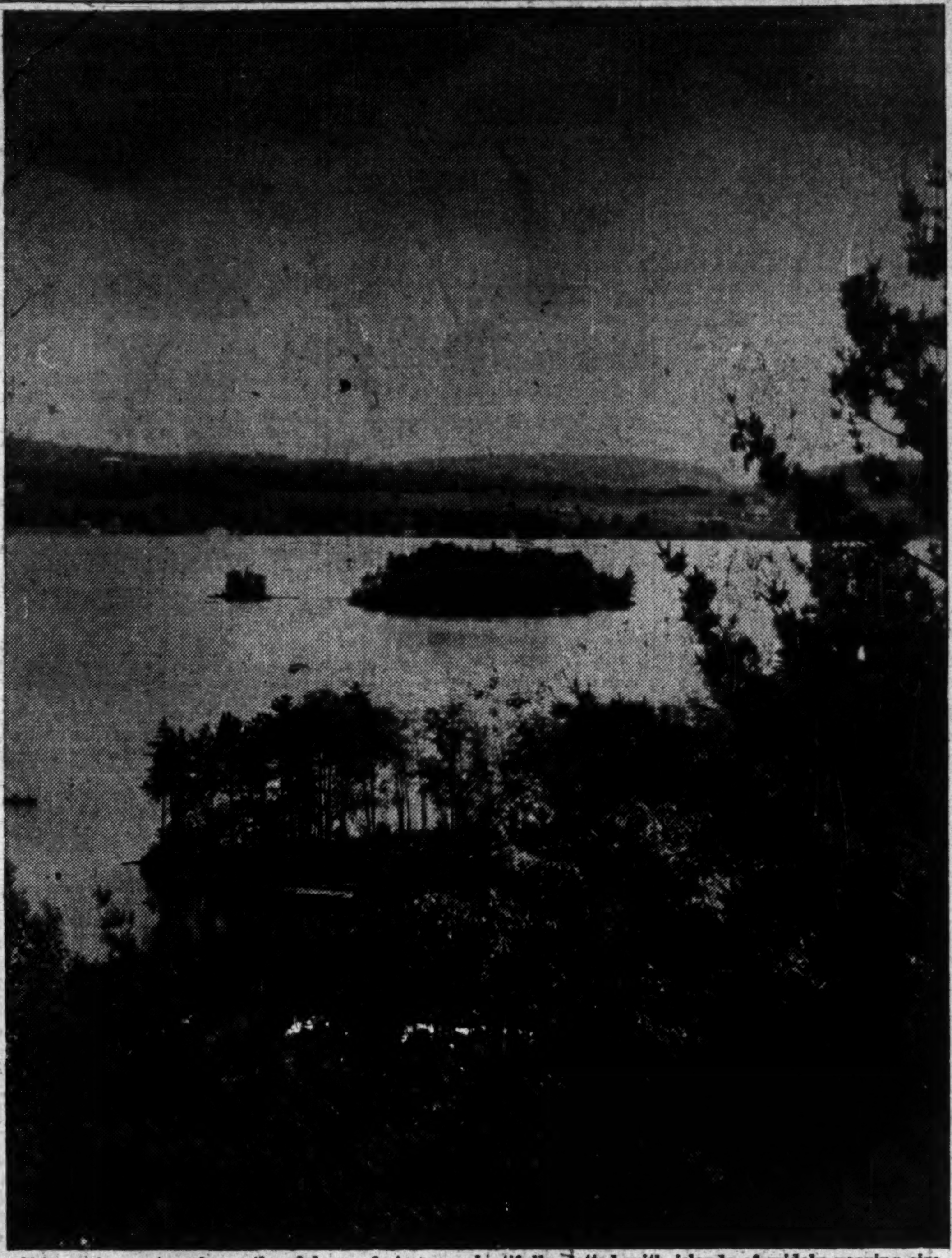
B. C. Highway Ready

A major event in this connection was official opening to auto traffic at the end of last week of the new Big Bend Highway in British Columbia, closing the last western gap in the Trans-Canada Highway. There now remains only one uncompleted portion of the Trans-Canada route between Hearst and Port Arthur in northwestern Ontario, and even this does not prevent motorists from spanning the Dominion without dipping southward into the United States.

Pending completion of the road through northwestern Ontario, the gap can be easily spanned by taking one's car aboard one of the Canadian Pacific or Canada Steamship Lines boats plying regularly between Sault Ste. Marie and Fort William-Port Arthur. With completion of the Big Bend road in B. C. it is now possible to drive without a break over the Trans-Canada route from Fort William to Vancouver, as well as from Halifax to Sault Ste. Marie.

Attraction of West

Growing realization of feasibility of the Trans-Canada tour, and of the excellent train and ship services spanning the Dominion, is expected to greatly stimulate the travel flow across Canada. Particularly is it likely to draw numerous holidayers from eastern and central Canada to the prairies, the resort regions and national parks in the Rockies, and the Pacific coast. In the Rockies this summer tourists will find an active schedule of sports, recreational and tourist events, including:



Shimmering water of countless lakes and streams, plentifully dotted with islands of widely varying size, and the generously wooded terrain, are distinctive characteristics of Ontario's lake-highland holiday playground broadly described as Muskoka. The combination of water, islands and wooded shore slopes is well illustrated by the scene above.

Annual stampede at Calgary, July 8-13.

Alpine Club of Canada, camp and climbing, Glacier Crook Valley, Banff, National Park, July 14-29.

Indian Days encampment and celebrations at Banff, with tribal rituals, election of chief, etc., July 18-21.

Annual expedition of Trail Riders of Canadian Rockies, a horseback caravan from Marble Canyon in B. C., on the Banff-Windermere road, to Lake Louise in Banff National Park, and traversing three national parks.

Annual encampment and outing of the Sky-Line Hikers of the Canadian Rockies, in the Egypt Lake-Simpson Pass area, Aug. 2-5.

Banff golf week, Aug. 18-24.

New Region Opened

The new Big Bend Road opens new fields of adventure for motorist, where towering mountains, deep canyons, rushing rivers, dense forests and wild animals are invitations to more leisurely, comfortable travel or pauses along the roadside.

The highway is, as its name implies, a semi-circular loop, following the great northern bend of the Columbia River between the towns of Golden and Revelstoke in British Columbia. Railway distance between the towns is 91 miles, a special Canadian Pacific freight service having been used in the past to carry automobiles across the stretch where there was no road. The highway distance between the same points is 192.6 miles.

The setting for this highway through the Selkirk Range is striking. The road follows closely, and at times seems to overhang the noble Columbia River where it flows northerly, west of Donald, around the Big Bend to the mouth of the Canoe River and then southerly through Revelstoke.

Big Peaks

The entire east slope of the Selkirk Range, which can be seen from the road on its northerly route, holds unbroken interest. Kinbasket Lake, 62 miles from Golden, is a scenic jewel, and Mount Trident, 10,141 feet, is an outstanding peak. An arresting feature of the eastern section of the road, north of Kinbasket Lake, is the virgin forest growth. For almost 20 miles the road travels through the largest trees that are encountered on the Trans-Canada Highway. There are cedar, fir, white pine and the only larger trees are on the Vancouver Island Highway north of Victoria near Cameron River.

At the top of the Bend the road crosses the Columbia River by a 270-foot steel span. This section is particularly interesting from the historic standpoint because various parties used to follow the trail route down the Columbia and up the Canoe River when light boats provided the only means of commercial trans-Canada travel.

River Canyon

About three miles from Revelstoke the road passes through the canyon of the Columbia River, a section where there are many fast and dangerous rapids. This section of the highway skirts the westerly boundary of Mount Revelstoke National Park. Silver Falls, where the road crosses the bridge, is an attractive cataract.

The opening of this highway this summer will mark a definite achievement in road building in Canada. With the exception of six miles immediately west of Golden and the equivalent of seven or eight miles on the western leg, all the west section was built to standard by the Dominion Government. This is an all-weather gravelled highway, with a clear roadway of 18 feet, exclusive of ditches. The highway is widened on all curves and superelevated. The width of all bridges is 18 feet or better.

Stock Exchange Backs Drive to Draw Tourists

At annual meeting of the members of the Toronto Stock Exchange last week, the Exchange joined the campaign of numerous business and community organizations to bring tourists to Canada this year. The following resolution was adopted:

> "The Toronto Stock Exchange, wishing to help their country in time of war, agrees to assist the efforts being made to bring American tourists to Canada this year. The members of the Stock Exchange will endeavor to bring pressure on their friends and associates in business to visit Canada and by letters, circulars or other means will assist the effort being made to provide American funds for Canada's war effort."

Beaumaris Resort Easily Reached

Among major holiday resort centres in the Muskoka region of Ontario one of the most accessible to city dwellers and most complete in its resources for comfort and recreation is the group of summer vacation establishments at Beaumaris, near Bracebridge.

The group centres on the spacious Beaumaris Hotel, with its beautiful grounds and auxiliary facilities. It embraces also the sporty 18-hole golf course of the Beaumaris Golf Club; a riding stable where saddle horses are available; excellent fishing spots right at Beaumaris or in neighboring lakes and streams; the hotel's own Yacht Club pavilion, scene of nightly cabaret dances and Saturday dinner dancing; and such conveniences as barber shop and beauty parlor. Near the hotel are Anglican and Roman Catholic churches and community services are conducted in the Yacht Club.

Despite the beautiful surroundings and sense of remoteness from city life, Beaumaris can be reached within three hours from Toronto by private auto or motor coach. One of Ontario's main highways runs through Bracebridge, only a few miles from Beaumaris by the Lake Muskoka shore road. Beaumaris can also be reached by C.P.R. or C.N.R. lines connecting with the Muskoka Lakes steamship service, which also calls at Beaumaris to take holidayers on the 100-mile cruise of the lakes.

With a long tradition of operation as a resort hotel the 120-room Beaumaris Hotel is surrounded by exceptionally fine landscaped grounds. As with other Muskoka resorts, it is located over 1,000 feet above sea level and visitors enjoy immunity from hay fever during their stay.

P. E. I. Launches Effort To Attract Tourists

Prince Edward Island has now thrust itself into the friendly competition between the various provinces and regions of Canada for greater volume of tourist traffic. Campaign to attract as many tourists and summer vacationists as possible to "the Garden of the Gulf" has been initiated by the newly established P.E.I. Travel Bureau at Charlottetown, established by the Provincial Government under direction of B. Graham Rogers.

Literature being distributed by the Bureau includes a directory of principal resorts and tourist establishments in Prince Edward Island, and a large illustrated booklet, published by the Busy East Press of Sackville, N.B., spotlighting the holiday resources and facilities of the Island province.

Quebec Gives Taxpayer A Break on Income Levy

From Our Own Correspondent

MONTREAL.—The Quebec Government has ruled that the additional income tax imposed by the Federal Government for war purposes will not be taxable under the provincial income tax legislation.

"The Provincial Income Tax Act," states the Hon. J. Arthur Mathewson, Provincial Treasurer, "quite excludes the possibility of anything of the kind. It states in specific terms that it is based on the Federal income tax as of April 30, 1940."

The actual text of the Act reads: "Net taxable income means the net amount upon which the tax is imposed under Income War Tax Act (Revised Statutes of Canada, 1927, chapter 97) and its amendment enforced on April 1, 1940."

Set at 15%

The new provincial income tax was first set at 17% but was later decreased to 15% at which it now stands. The 15% is based on returns to the Dominion Government for income tax and will be payable this year on Aug. 31 and annually thereafter on the last day of April which is the same deadline as for the Dominion tax. The payment in both cases is to be made to the Receiver General of Canada.

Mr. Mathewson has also ruled that the City of Montreal income tax would positively not be pyramided over the Dominion tax payable April, 1941. This tax might be repealed, Mr. Mathewson prophesied, if collections for the same amount could be found from another source. It starts at 10% of the Federal tax and, this year, includes a percentage on the 20% Dominion surtax, but the latter was specifically imposed for war purposes.

N. B. Mobilizes Training Schools

Will Have 15 Classes in Vocation Schools This Summer

From Our Own Correspondent

MONTREAL.—New Brunswick is mobilizing its vocational training facilities as part of a Dominion-wide programme to prepare young men for service on the industrial front.

Working in conjunction with the Federal Department of Labor, the New Brunswick Department of Education has undertaken to organize wartime industry training courses in each vocational and composite high school in the province.

Classes will be organized in airplane mechanics, both metal and wood; sheet metal, oxy-acetylene welding, electric welding, machine shop mechanics.

In all 15 classes totalling about 300 students will be organized in schools at Saint John, Moncton, Fredericton, Newcastle, Campbellton, Edmundston, MacAdam and possibly Woodstock.

NEW CHIEF ENGINEER

Harold J. A. Chambers has been appointed chief engineer of the Hamilton Bridge Company. He was chief designing engineer with Canadian Bridge Co. prior to coming to Hamilton Bridge Co.

New Books

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International Finance

MONETARY REVIEW. Volume 1, Money and Banking Series. Published by the Economic Intelligence Service of the League of Nations.

This year's review just published describes the various measures adopted by the different governments since the outbreak of war last September to control exchange and mobilize foreign assets. It also discusses the measures taken to deal with the abnormal demand for liquidity of assets and to meet the requirements of the different governments for loans. Gold movements, money rates, moratoria and expansion in the volume of currency and credit are other points dealt with. In fact it may well be described as a blue book of international finance.

Canadian Economics

CANADIAN INVESTMENT AND FOREIGN EXCHANGE. Edited by J. F. Parkinson. Published by University of Toronto Press, Toronto. Price $3.

Two series of lectures, given in extension courses at the University of Toronto last winter, are here republished in book form.

One series dealt with foreign exchange problems. It provided a most excellent background to an understanding of the new business and economic problems arising out of the impact of the war on Canada's international accounts.

The second series consisted of a group of studies in Canadian investment problems.

Some of the lectures are a little text-bookish in character. Others, however, are original studies of very considerable importance. All are valuable. The volume can be highly recommended, particularly for younger men in business anxious to broaden their understanding of the working economics of the problems they are wrestling with.

Textile Industry

MANUAL OF THE TEXTILE INDUSTRY OF CANADA, 1940. Published by the Canadian Textile Journal Publishing Co., Montreal. Price $1.

This is the twelfth edition of the manual and like its predecessors contains a wealth of information pertaining to all branches of the Canadian textile industry. Though its principal value is in the list of mills and mill operators, there are a number of other features which make it of value to anyone interested in this branch of the Canadian economy. All of the latest statistics on the many branches of the industry are incorporated in the manual, as well as informative articles dealing with developments in each major division throughout the past year. The book is well illustrated and the format makes it handy for ready reference.

Royal Muskoka
Come to Muskoka — Something different — to the nerve-resting, pine-scented, sleep-giving air of the Muskoka Lakes. Here you will find this hotel, cheery rooms, good food, golf, fishing—everything that makes a holiday worth while. Rates from $33 weekly up American plan. Ask for folder of these beautiful lakes. Royal Muskoka Hotel, Ontario. Douglas A. Stalker, manager.

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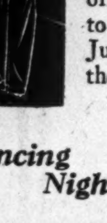
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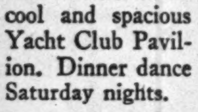
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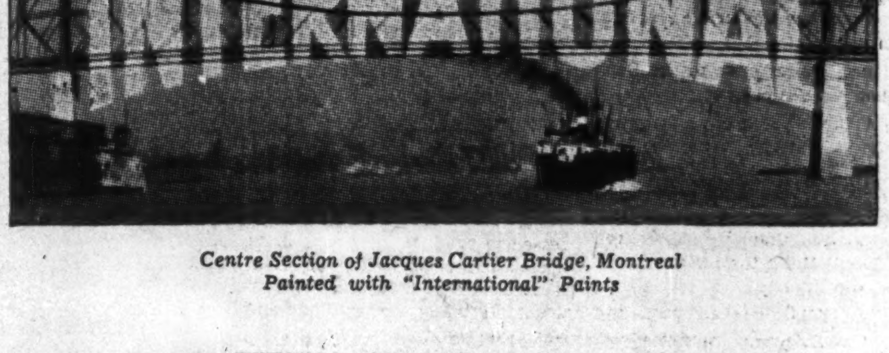
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Here's Why Hitler Can't Win the Wa

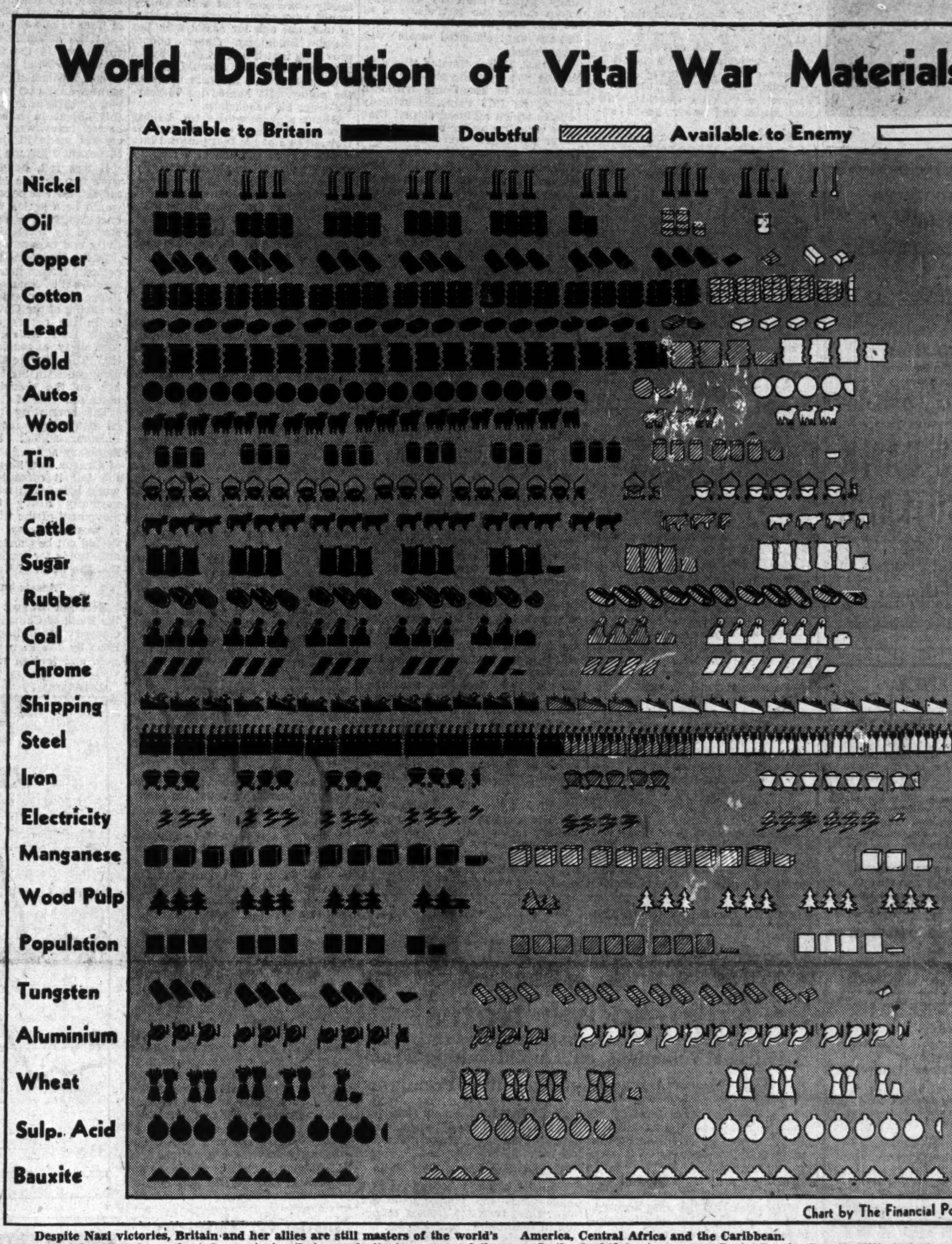

Chart by The Financial P

Despite Nazi victories, Britain and her allies are still masters of the world's raw materials. The above chart demonstrates that superiority in a score of the basic commodities and products which indicate a nation's capacity for continued warfare.

Each unit of the chart represents approximately 4% of the resources surveyed, the solid black units those either in possession of Great Britain or available, the shaded units doubtful or available to either side and the light units those owned or controlled by the enemy.

Obviously this division of the world's resources, available to one side or the other, is only an approximation though based on the best information now available. Obviously, too, it assumes Britain's control of the oceans. In general, however, the following is the formula used in the breakdown.

First: Available to Britain: All parts of her own Empire, United States, South America, Central Africa and the Caribbean.

In the doubtful category goes Soviet Russia. Despite Hitler's deals w the foreign policy of the Kremlin is anything but clear and may eve undergoing drastic change.

Also doubtful are countries bordering on the Mediterranean; also Portugal, open to buyers of either side, Japan, China, the rich Netherla and French Indo China.

The whole continent of Europe, excepting the Soviet, Spain and Por been assigned to the enemy. While Hitler has not conquered this great now in a position to dominate supply markets and continental tran lines.

The computations which were made by The Financial Post are based tics of the League of Nations and are generally for the year 1937.

By RONALD A. McEACHERN
Staff Writer, The Financial Post

Assurance of victory!

That fact stands out like a battle flag from the mundane figures of the picture of the world's vital war resources presented to your right.

Hitler has the striking power, not the sticking power.

One by one nations have fallen before the march of Hitler hordes, until Britain stands alone in the Old World, the last guard remaining between peace and democracy and the forces of darkness and destruction.

The British Commonwealth hasn't a single ally left; but it has many great and rich friends. When this article refers to "Britain," it must not be forgotten that beside her stand Canada, Australia, South Africa, New Zealand, India and the colonies.

Britain has been fooled about Hitler's strength, about the suddenness of his blow, about the weakness of some of his supposed adversaries.

But maniacal strength, treachery and wolfish cunning avail only for a little while.

Men must eat. Guns must be fed. Tanks must be fueled. There is only so much starvation that a dictator's people will stand.

War Depends on Industry

War today is an industrial proposition. It will not be won on the playing fields of Eton or in the offices of cabinet ministers or generals or soothsayers.

Wars today are won in the fields, the forests, mines and workshops of the world. And that's where Britain's hope of triumph lies.

This lesson Britain learned from the last war. Then her triumph came with the blockade of Germany. Knowing full well the crushing force of the coils of economic warfare, Hitler was forced to make the desperate gamble that bids fair to end his frightful run.

Today, on the most modest appraisal of key resources open to us and a generous appraisal of resources open to the enemy, Britain has at her command very roughly two to three times the amount open to Germany.

The successive collapse of Poland, Denmark, Finland, Holland, Belgium, Luxembourg and France has only slightly dented the vital resources available to Britain.

In war as in peace the first call on a *nation's production* is to feed and clothe its people. These needs can be cut to a minimum, but they cannot be omitted. The minimum for a German, long trained in sacrifice or starvation, may be lower than for a Briton.

But, in any case, it is only the remainder of a nation's productive capacity that can be devoted to fighting and the making of munitions.

Use Huge British Surplus

That there is only this surplus that can be channelled into war is basic and inescapable.

There are two vital types of resources:

(1) Manpower and

(2) The vital raw materials of food and of industry.

In both the supplies open to the British give them clear supremacy.

Since 1914 there has been a complete turnabout in a nation's use of manpower. Then workers were taken from the mines, factories and farms to fight. By the end of the war generals were beginning to see that it took three skilled workers behind the lines to serve one man in the lines.

Today total machine war puts the emphasis the other way: get as many workers as possible into the mines and factories. Send enough to war only to drive, manipulate and fire weapons. The new war probably requires twice as many men behind as in the lines.

Resources in Manpower

Hence available resources of manpower are important both for their productive capacity and for their worth in the battle field.

In manpower for battle Britain's supply is inferior. United States clings to non-belligerency. Only a few of India's 460 millions would be mobilized for modern war. From other millions of population in Britain's empire the supply of fighting men would not be great.

Hitler, of course, suffers a similar handicap. How good will Frenchmen be, ordered to fight against recent allies? how good the Poles or the Scandinavians?

But because of the new importance of the workers behind the lines, the significant measure of manpower for modern war is the number of skilled industrial workers, plus the machines at their disposal, the amount of horsepower which their hands command.

National sentiment aside, it must be assumed for our purpose that 1,000 soldiers on one side are about as good as 1,000 equally trained men on the other.

But this is not so in industry. Because of their superior productivity and equipment, 700 British workers turn out as much as 1,000 Germans.

The average worker in the democracies produces about 50 per cent. more than the average worker in Germany and about 300 per cent. more than the Italian.

The following table shows for various countries, in the same unit of measurement, first, the comparative productivity in industry in terms of national income produced per head of working population and, second, on a similar basis, the comparative productivity of workers in agriculture. The figures are from Colin Clark's, "The Conditions of Economic Progress."

Productivity per Worker

In Industry		In Agriculture	
United States	1,485	Australia	1,524
Canada	1,352	United States	661
United King.	1,275	Canada	618
Australia	1,212	Germany	490
Germany	828	United King.	475
Italy	399	U.S.S.R.	88

Measurement is the "International Unit": the amount of goods and services which one dollar would purchase in U. S. A. over the average of the period 1925-1934.

United States and Canada have the highest standard of living of any countries in the world. That means that they have a greater surplus whether of goods or of energy to divert to war production or to fighting.

Cheaper Resources

Germany is prodigal of manpower in industry as she is in war. By purchasing her raw materials overseas, Britain has been able to get her food and her supplies cheaper than she could grow them at home. By paying for these supplies in manufactured products, Britain has been making fullest possible use of her machinery and her industrial skill.

Germany, on the other hand, has been driving toward a chimerical self-sufficiency, growing at high cost food that could be bought cheaply abroad; wasting manpower in unprofitable soil when it could be used for big-scale machine production.

Look now at the superiority of Britain and her friends in raw materials, both for food and for industry.

About the only main commodities which, it would appear, Britain has to import and which are not available somewhere on the Atlantic are rubber (Malaya, Netherlands, East Indies, Ceylon), tungsten (Burma, Malaya, China) and tea (India, Ceylon or China).

Britain has access to large stocks of every type of food supply.

Can Import All Food

The simple fact is that if the United Kingdom didn't produce any foodstuffs, if she diverted all her manpower to military and armament pursuits, her people and her armies could still be readily and abundantly fed by her Empire and her friends.

Canada and United States, the Argentine and Australia, for instance, are the world's greatest wheat exporting nations. They are also major producers of bacon, butter, lard and meat. South America is high in beef and animal fats.

Germany, on the other hand, has no such advantage. She must go on producing food. Every one of her conquests is a food-importing nation, simply adding to the Reich's food difficulties.

Europe is still, for all its vast industrial development, a great agricultural area. Germany is only about 16 per cent. from self-sufficiency in food. Italy is about 10 per cent.

Butter and Guns

In grains, potatoes, sugar and that class of foods Germany is self-supporting. In meats the Reich supplies about 95 per cent. of her needs.

It is in fats that both the German and Italian dependence on the outside world is greatest and in some respects most crucial.

The Nazis talk much of guns instead of butter. The phrase has a literal as well as a metaphorical meaning.

Starving his civilian populations to feed his military machine is Hitler's standard practice. Wheat, grains of all kinds, potatoes, sugar—all can be processed to produce alcohol to drive tanks, trucks and to use with explosive manufacture. From milk and dried fruits, of which Germany formerly had ample, the Nazis can produce nitroglycerine.

Germany's fat supply has increased remarkably in the past decade; but explosives, not the people, have been getting the extra ration.

To a very considerable degree the Reich's fat problem has been improved by conquests. Poland, France, Denmark, the Low Countries—all have had large herds of farm animals. Of course, killing off these herds for fat is a spendthrift's course; is a course that points to starvation of the civilian populations. But for the desperate Hitler gamble that difficulty will not delay him a moment. Moreover in both Denmark and Holland there is not raised anything like sufficient feed to maintain present livestock numbers.

The Germans boast that they have conserved ample supplies of all sorts for 1941 and that they are now busy building up for 1942. Whaley Eaton, the Washington observer, comments:

> "This is probably not the truth. Rather, Hitler is likely to have a very hard winter if he does not terminate the war successfully before then. There is important independent opinion along the line that Hitler cannot win the war unless he does win it this summer—that lack of food will destroy him. Certainly his people had a hard time last winter and conditions promise to be far worse next winter."

Britain's superiority is still unchallenged in the raw materials of industry.

Iron and Steel

In iron ore, the main diet of Mars, Germany is still, despite her victories, far behind Britain in available resources. Domination of the trade of Scandinavia added important resources to Germany. But with access to her Empire, to United States and other sources, Britain still has twice as much iron ore ready to serve her.

In steel Germany has for long led the world in quantity of production. Successive conquests in Czecho-Slovakia, Poland, Belgium, France, and Luxembourg and her control over Italy and Sweden, give her control over less than 35 per cent. of the world's annual output.

But Britain has access to the output of the blazing furnaces of United States and their 25 per cent. of world output. With her own and her Empire's resources, Britain tops the enemy with a good 38 per cent. of world output.

Steel and iron are significant indicators of a nation's industrial capacity. Electric power and coal reveal the horsepower which they have available to put behind the hands of their workers, to make use of their raw materials.

Key War Metals

Below is a breakdown of these key war resources. The same basis of division is used as for the big chart on this page, namely German and Italian conquered or dominated countries being classed enemy, doubtful countries which could trade with either side—Russia, Japan, Spain, etc.—classed neutral, and all others "available to Britain."

—Available to British—
(000's metric tons)

Iron		Steel	
United King.	4,333	United King.	13,192
United States	37,290	United States	51,380
Other	7,231	Other	3,762
—Doubtful—			
U.S.S.R.	14,000	U.S.S.R.	16,244
Other	5,223	Other	5,911
—Enemy—			
Germany	2,759	Germany	20,000
France	11,520	Belgium	3,863
Sweden	9,136	France	7,902
Luxembourg	2,240	Italy	2,099
Other	3,954	Other	8,635

—Available to British—

Coal (000's metric tons)		Electricity (kw.h. 000,000's)	
United King.	244,267	United King.	51,772
United States	448,432	United States	121,050
Other	68,774	Other	44,003
—Doubtful—			
U.S.S.R.	122,579	U.S.S.R.	36,400
Japan	46,000	Japan	26,714
Other	17,999	Other	5,160
—Enemy—			
Germany	184,513	Germany	76,349
Belgium	29,859	France	18,162
France	44,319	Italy	14,961
Poland	36,218	Belgium	8,194
Other	40,696	Other	52,960

In the metals crucially important in the manufacture of armaments, Britain ranges from what amounts to a world monopoly down to nothing less than overwhelming superiority.

Copper, lead, zinc, tin — all of them stand high in the list of strategic materials portrayed in the chart. So long as Britain controls the Atlantic, the Allied cause will never lack.

But it is not only in these major basic or base metals that Allied supply is so ample. Take the less familiar metals, vital in making the steels for guns and shells and armor plate: nickel, manganese, chromium, tungsten.

In the last war the United States steel industry was on the point of complete breakdown because the supply of manganese was near exhaustion.

According to Dr. William Y. Elliott, chairman of the department of government, Harvard University:

> "Few people realize that these minerals, were they ever brought under complete control and their export for armaments prevented, could prevent aggressors from dominating or threatening the world. The lack of that complete control permitted German rearmament."

Glance at the source of supply first of the base metals, second of the special "armament" alloys, in annual production:

—Available to British—

Nickel (000's metric tons)		Manganese (000's metric tons)	
Canada	102	South Africa	269
New Caledonia	5	Gold Coast	280
Other	1	India	534
		Other	480
—Doubtful—			
U.S.S.R.	2	U.S.S.R.	1,200
—Enemy—			
Greece	1	Germany	209
Norway	1	Austria	42
		Other	53

—Available to British—

Tungsten (metric tons)		Chrome (000's metric tons)	
United States	1,905	Africa	211
South America	1,634	Cuba	31
Burma	3,301	Other	92
Other	1,978		
—Doubtful—			
China	9,911	U.S.S.R.	90
Portugal	1,243		
—Enemy—			
Other	93	Turkey	96
		Other	49

German Stores

Despite Britain's superiority, it appears that Germany has had some success with ingenious methods of overcoming her deficiencies.

In years prior to the war — and in months following the declaration of war—it appears that Germany was piling up—stock-piling — enormous quantities of many vital metals against further needs. The well-known saving and scavenging abilities of the Reich citizens are proverbial. Much valuable metal was presumably recovered in these campaigns.

Of course, Germany improved her position in metals by her various conquests. From Austria and Czecho-Slovakia she got large new iron deposits, some mercury, antimony, copper and magnesite. From Poland she got zinc; from Norway, aluminum, copper, nickel, chrome and molybdenum; from the Netherlands and Belgium, tin; from Luxembourg, a vast supply of iron.

The enigmatic "ally" of the Reich, Russia, has little to offer even if willing, for Russia must import the very metals that Germany needs most: copper, lead, tin, nickel, tungsten, molybdenum and antimony.

Southeastern Europe—the Balkans—have rather extensive resources of many of these things, but they are but little developed in most cases, hence of little immediate value.

Scavenging and Substitutes

More important means of making up deficiencies are in the conservation of metals for all but military use and in the use of substitutes.

It has been estimated, for instance, that if Germany prohibits the use of iron and steel in all construction, her wartime consumption of iron will decrease; rather than increase. This diversion of all supply to military uses might have a similar result in several metals.

Most striking achievement in evading the effects of the British blockade, however, has been achieved in the development of substitutes.

German chemists are understood to be using aluminum as a substitute for copper in many industrial uses; to be using aluminum and magnesium alloys (with which they are modestly supplied) for nickel and chrome alloys (of which they have little). It is reported that they even use plastics in some types of engine bearings.

The argument that these substitutes may not be as good or that they are more expensive is of course secondary to a nation at war to the question of, Will they do?

The modern army travels on wheels—rubber tired. Britain again has access to the greater part of world production and the enemy has none of its own at all.

What of Oil?

And the modern army—and navy—travels on oil. "The Allies floated to victory on a sea of oil," a British admiral said after the last war.

Germany's oil reserves for this war have been one of the major puzzles. Confident predictions were made before the war that Germany would not declare war because she didn't have enough oil. Then, that the war would be over in a few months because of oil shortage.

It has been estimated that a nation's oil needs at least triple during modern war. On this basis Germany's consumption now might be nine millions to 10 millions a month. But her known supplies are only about 3.3 million barrels a month.

In the war so far there has been no indication that Hitler's armies have been sparing with their oil, nor have their conquests brought them very great new stores.

Proudly, Germany points to her present agricultural programme — being worked with gasoline driven machinery —as proof that her enemies' hopes for her oil starvation are far from realization.

Of course, Germany has a synthetic motor fuel, again produced by an expensive, completely uneconomic process and, from reports available, completely incapable of making up the presumed shortage.

The current Russian drive into Roumania is regarded as favorable to Germany's oil famine; combined with the assiduous bombing of Germany's oil refineries by the Royal Air Force.

But if Germany's oil supplies are a matter only for the wildest conjecture, the world production is a matter of the hardest fact.

Following are the main sources of the world's rubber and petroleum supplies in annual output:

—Available to British—
(000's metric tons)

Petroleum		Rubber	
United States	172,866	Brit. Malaya	477
S. America	35,545	S. America	17
Iran	10,331	Ceylon & India	82
Other	24,392	Other	99
—Doubtful—			
U.S.S.R.	27,821	Nether. Indies	439
Other	357	Other	44
—Enemy—			
Roumania	7,153	None	
Germany	451		
Poland	501		
Other	247		

Cotton and Wood Pulp

Britain's supremacy is again found in cotton, wool and wood pulp. In wartime, main importance of cotton and wood pulp, however, is as raw materials for explosives of the nitrocellulose family. The wool supply is less important in the textile field because a nation at war can use substitutes, especially of the new synthetic type, providing the wood pulp supply is great enough.

Germany added enormously to her available wood pulp resources by achieving domination of the Scandinavian market. Here are the main world annual supplies of cotton and wood pulp:

—Available to British—

Cotton (000's quintals)		Wood Pulp (000's metric tons)	
United States	41,076	United States	5,963
India	10,485	Canada	4,665
Other	14,323	Other	623
—Doubtful—			
U.S.S.R.	8,200	U.S.S.R.	740
China	7,000	Japan	425
Other	473	Other	412
—Enemy—			
Turkey	647	Germany	2,564
Greece	164	Scandin.	6,752
Other	171	Other	2,086

This entire analysis of the availability of the world's raw materials, of course, depends on Britain's continued domination of the seas. But control of the Mediterranean, so far as raw materials are concerned, is not vital to Britain. The oil pipe lines which she owns or controls and which now terminate at the eastern end of the Mediterranean could be diverted to harbors on the Red Sea.

Admittedly, the Mediterranean route is very much shorter, therefore offering important economic advantages. But for vital supplies in wartime, the longer route around Africa would serve. As already pointed out, control of the Atlantic will suffice to assure Britain supply of nearly all raw materials.

The percentage distribution of shipping between the three categories follows the general formula of the other items, but in this case a figure approaching accuracy is impossible to obtain.

How much of the Scandinavian or Dutch fleets Hitler has acquired is not revealed. Certain it is that Britain now has the use of a very goodly portion in both cases.

Finally comes the vital question of resources of wealth to pay for the needed supplies.

Once again, the superiority of Britain and her friends is overwhelming. Germany has been able to buy only where her threats of force were sufficiently terrifying and where she could make a barter deal. But the world has been open to Britain.

Nazi conquests have added something to the Reich's gold supply; t of foreign exchange that co in the world of trade for m

Following are the stocks gold in May, 1940, also the of world gold production:

—Available to Britis

Gold Production (kilograms)		Go (Millio
South Africa	364,986	United
United States	128,056	United
Canada	127,407	Canada
Other	223,403	Other
Total	843,852	Total
—Doubtful—		
U.S.S.R.	160,000	Japan
Other	45,266	
Total	205,266	
—Enemy—		
Sweden	6,010	Germa
Roumania	5,465	France
Jugoslavia	2,724	Other
Other	3,304	
Total	17,503	Total

Much the same superiorit and her friends prevails i kind of financial resource, fo ties held abroad.

Britain Cannot Los

The conclusions from this the British position— espe gards sticking power—are heartening. They are:

1. While Britain contro tic Ocean, her fighting fo population need never be factories and guns never lack of supply.

2. Germany is feeding and guns on a very slim m gin that in most cases i daily and in hardly a si likely to be bettered.

3. Were the Reich able sia's entire output of vital the balance would seldom of the totalitarians.

4. The United States w provide the British with e raw material and war supp commodities vital; and h might is crucial.

Germany cannot win. lose.

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Prospects of Higher Prices Raises Problems For Man With Life Insurance or Who Plans to Buy It

By D. G. MacLEAN
Staff Writer, The Financial Post

Is this a good time to buy life insurance?

This is a question a good many people have been asking in recent weeks:

The chief fears prompting the doubters have been:

Inflation of the currency seriously reducing the purchasing power of life insurance.

Impairment of the country's economic position affecting life insurance and other assets adversely.

Heavy death claims resulting from war casualties weakening the companies.

War clauses in new policies restricting in some measure the protection given.

On the other hand, apart from the traditional advantages of life insurance, there are many people arguing that it is wise to buy now in case premium rates go up. As proof note the increases in life insurance sales since the war.

For the purpose of this article inflation may be regarded as meaning a reduction in the purchasing power of money.

Since life insurance is one of the greatest depositories of money in this country the buyer and seller of insurance as well as the one who already owns some are always close to the question.

Dollars for Future Needs

The person who buys life insurance does so to supply dollars for some future purpose. It may be for his own support, or for the support of his dependents. If he is to complete his plans in either case, he must have some idea of what those future dollars will buy compared with the dollars he pays in.

Wartime Problems

In wartime this question of inflation receives more consideration than at other times because wars are usually accompanied by a general rise in the price level of greater or smaller proportions.

With the experience of Germany both during and after the last war in mind, people have been especially sensitive to any suggestion of inflation. This attitude overlooks the fact that inflation is a relative thing, and that its danger lies in the extent to which it is allowed to go.

In this country we had a certain amount of inflation in the last war. Yet for the most part few people suffered any hardship. Compared with the depression years there was a certain amount of inflation in 1937. Last fall when the finance minister borrowed $200 millions from the chartered banks the operation was definitely expansionist, yet it made little difference to the people at large.

Experience in Germany

It is when the movement gets out of hand that the danger comes in. Many people point to Germany, where during the last war and in the first five years after it inflation on an unpreeedented scale was experienced.

By 1923, it is estimated, the purchasing power of the pre-war mark had fallen to about one trillionth part of its 1913 value. Obviously policies which matured at that time were valueless as far as purchasing power was concerned. But when in 1924 matters were adjusted and the rentenmark and later the new reichsmark were established, insurance policies were adjusted on the basis of say 5% to 10% of the original value.

Few people, however, admit even a remote possibility of inflation of this kind happening in Canada.

The experience of the last war and of the depression years gives good ground for belief that nothing more than the mildest sort of inflation is possible and even this is not certain. Moreover, history shows that the degree of inflation which did occur in Canada during the Great War and the years following the depression did not have any more adverse effect on beneficiaries of insurance policies maturing at that time than it did on any other class of people receiving a fixed income.

Safety in Diversification

Regarding the impairment of the economic position of the nation affecting life insurance investments it is evident that if that time ever comes, everything will be in jeopardy. But diversification of the life companies' investments gives them a high degree of safety against mischance in any one section of the national economic system.

Figures of the investments of Canadian life insurance companies as reported by the Dominion Superintendent of Insurance show that of the invested assets, approximately 13% is in mortgages in Canada, 11% in policy loans, 20% in Dominion of Canada and Canadian provincial bonds, 7% in Canadian municipals, 16% in Canadian and United States corporation bonds, not quite 2% in preferred stocks and a little over 12% in common stocks. Investments of British and foreign companies probably follow the same lines.

From this list it will be seen that the life companies are in reality partners in the nation's business, its government issues, its farm and city property, its factories, power plants, etc. Consequently any question as to whether a person has faith in the life companies' assets is a question as to the stability of the country itself.

War Clauses

Heavy death claims arising from casualties are something the companies have already discounted through the insertion of a war clause in the new policies being issued. In making these preparations the companies had the experience of the last war to fall back on. The present extra premiums were worked out on a scientific basis and are considered sufficient for present needs. The record of the companies in the last war would indicate that the judgment of the company actuaries was sound on that occasion. With this experience it would be strange if it was not equally as good on this occasion.

The restriction of the war clauses when analyzed are seen to cause little real hardship to the individual. The insured going overseas in the armed forces can get full protection if he wants to by paying the extra premium unless he goes in the air force. Many, however, feel that they will rely on the government pension to take care of their dependents if they die from war service. In the meantime they will pay the ordinary premiums, keeping their insurance in force so that when they return they will have it, even though they are then uninsurable.

Safer Than Sock

To the person who has any remaining doubts, the question might be put: Where else can money be put that it will be safer? If kept in the bank or in a sock in the cupboard, paper money, the only kind of currency available, is even more subject to inflation than if invested in life insurance. If invested in mortgages, bonds or stocks it is equally open to the hazards of the investments of the life companies and more so because the broad range of the latter makes possible a degree of diversification impossible to the average investor. In addition an individual's personal investments lack the protection for dependents that life insurance gives.

Premiums May Rise

In some quarters it is felt there is a possibility of premiums rising. This belief is based on the low interest rates available which are not likely to be any higher owing to the desire of the Government to keep the cost of the war down. This with increasing costs due to the possibility of higher wage costs, etc., may mean eventually increased premiums. If this opinion is right it would be an element in favor of the purchase of life insurance now.

Life Insurance At Work

B—— was a young man who felt he had little need of life insurance. He was unmarried and had no immediate dependents. However, he was finally convinced that a life policy would have some investment value, so took out one for $2,000 with the double indemnity clause added, providing that if he met death by an accident the company would pay the beneficiary twice the face value of the policy. He named his 15-year-old sister his beneficiary.

About nine months later, having paid one premium of $61.60, he was trapped in a coupe that plunged into a deep cut at the end of a country road. He was killed almost instantly.

The proceeds of the policy amounting, with dividend, to over $4,000 will be used for the education of his sister. The parents stated that had it not been for this money the girl would have had to abandon her ambition to become a teacher.

Fire and Casualty Insurance

Budget May Bring Rise In Automobile Rates

Higher Valuations on Cars Resulting From New Taxes Seen as Factor in Setting Premiums

As a result of taxes imposed on automobiles by the recent Dominion budget, possibility of an increase in automobile insurance rates is seen by insurance men.

Premium rates, it is pointed out, are based, among other things, on selling prices of the cars insured. Hence any material change in valuation has a reaction on rates.

The way it works is this:

If an expensive car is stolen, damaged by fire or injured in a collision by another vehicle, it takes a good deal more to make good the loss than in the case of a cheaper car.

With all automobiles on a higher valuation level, claims for damages or loss will also be higher in the average case. A garage bill to replace even a damaged fender or broken bumper, it is believed, will now probably cost more than it did before.

On Different Basis

Existing insurance rates were based on a pre-budget level of prices. Accordingly insurance men feel that an advance in premiums would be justified on these grounds.

As other factors have to be considered, it is thought unlikely, however, that any increase will be made in the immediate future.

Donald Taylor, chairman of the Automobile Section of the Canadian Underwriters Association, discussing the possible effect of the new taxes, stated:

"Under the new scale of values, premiums collected are not such as to take account of the situation created by the budget changes. It may therefore be necessary to provide for this factor by an increase in premiums, but it is too early, as yet, to say positively what course of action will be necessary as this is a matter for considerable study."

Other insurance men expressed the same view.

One executive pointed out that automobile insurance rates were raised about a year and a half ago owing to the high loss ratio then prevailing. Last year some improvement in loss ratio was shown. Under ordinary circumstances a continued downward trend in insurance cost of automobile accidents would result in lower rates. But with values now higher, he claimed, even a reduction in the number of accidents would not necessarily bring a lower monetary loss ratio.

Might Offset Lower Loss Ratio

Thus the higher values of the cars might offset any tendency toward lower rates resulting from a reduction in the number of accidents.

Western Underwriters Elect New Officers

At the annual meeting of the Western Canada Insurance Underwriters Association at Lower Fort Garry, Man., officers elected were:

J. E. Haskins, Norwich Union Fire Insurance Society, president.

L. L. Lewis, Insurance Co. of North America, 1st vice-president and chairman of the fire branch.

E. P. Withrow, Dominion of Canada General Insurance Co., 2nd vice-president and chairman of the automobile branch.

P. A. Codere, St. Paul Fire & Marine Insurance Co., James A. Dowler, Canadian Fire Insurance Co., C. McE. Michelle, Prudential Assurance and John Pickering, Royal-Liverpool group, executive committee.

Insurance Problems

National Retailers

Please give me some information about the National Retailers Mutual Insurance Co. Is it licensed in Canada and does it maintain deposits here?

—

The National Retailers Mutual Insurance Co. operates in Canada under Dominion license. Consequently it must maintain a deposit with the Receiver-General for the protection of Canadian policyholders. At the beginning of April this deposit had an accepted value of $133,000. As a Dominion licensed company, its operations are under the supervision and inspection of the Dominion Department of Insurance. It is licensed to write in Canada, fire and automobile insurance and a number of miscellaneous supplemental classes of insurance.

War Risks

I have some household furniture in England which I would like to bring to Canada. I understand the British Government gives cheap insurance against war risks on shipments to or from Canada. What is the difference in rates between this insurance and the insurance given by companies? Where does one go to apply for Government insurance? Does it guarantee payment in Canadian funds if anything happens to the goods?

—

The British Government gives insurance on goods going to or from Great Britain. The rate was 1½% up to a few days ago when it was raised to 2½%. The company rate is about 5%. But company insurance offers the advantage that arrangements can be made that in event of loss the company will pay in Canadian funds. The British Government, it is understood, pays its losses in sterling.

The latter type of insurance is sold by the ordinary companies and brokers in Canada. They act as agents for the British authorities as well as for private concerns.

This war risk insurance, it should be realized, does not give protection against the ordinary perils of the sea, but only those arising from enemy action. It only applies also when the goods are actually on shipboard, not while they are on the dock or in warehouse at point of shipment or at destination.

Name G. Morton Insurance Head

Elected President of Montreal Life Insurance Underwriters

From Our Own Correspondent

MONTREAL.—G. M. Barry Morton of Manufacturers Life Insurance Co. was elected president of the Life Underwriters Association of Montreal at the 34th annual meeting.

J. Rene Pelletier of Crown Life Insurance Co. was elected vice-president.

Other directors of the new board are as follows: Arthur H. Lambert, Metropolitan Life, second vice-president; Charles F. Holmes, honorary secretary-treasurer; Jean Carreau, George H. Fox, Hugh M. Farquharson, J. Cooper Smeaton, Antoine Provost, Hugh G. MacGregor and J. L. Beaudry.

Vernon H. Hopper is the retiring president. W. O. H. Percey of Canada Life Assurance Co. and H. P. Douglas of Prudential Insurance Co. were made honorary life members.

Obituaries

Donald M. Cameron chairman of the Hamilton advisory board of the Huron & Erie Mortgage Corp. and the Canada Trust Co., at Hamilton.

T. J. Hannigan, secretary of the Ontario Municipal Electric Association, at Guelph, aged 71.

W. H. Burgess, formerly manager of the Canadan Surety Co. and secretary of the Insurance Institute of Toronto, aged 67, at Toronto.

Banking

Bank of Canada Helps In War Financing

Appropriate Monetary Policy Used in First Period to Stimulate Business Activity and Increase National Income, Ralston States

In discussing the initial steps taken by Canada to finance the Dominion's war effort, Hon. J. L. Ralston, Minister of Finance, described the part taken by the Bank of Canada and the chartered banks.

At the outset it was decided, as announced in the first war budget brought down at the September session of Parliament, that the Government would carry on on a pay-as-you-go basis as far as possible. With this object in mind a number of excise taxes were levied and increases made in the personal and corporation income taxes.

It was felt, however, that there were two periods in the war as far as business was concerned. The first would be a period of hesitancy and uncertainty. The second would be marked by increasing business activity and expanding income.

In the first period the income expected from increased taxation would not be immediately available. Hence it was decided that the first financing of the Government should be in the nature of a short-term bank loan which, he says, was "definitely expansionist in character." This was the $200 millions loan arranged with the banks in November on the security of two-year notes at a rate of 2%.

This borrowing from the chartered banks was facilitated, Colonel Ralston stated, by appropriate monetary action in which the Bank of Canada had its part. Coming in the fall it coincided with a time when borrowing from the banks is normally heavy to finance the movement of the wheat crop. Hence it was necessary that the banks should not be short of readily available funds for landing. It was here that the Bank of Canada came in.

Assets Increase

Between August and September the Bank of Canada's assets had increased approximately $107 millions by the increased value of its gold and foreign exchange reserves and purchases of securities. These last would be paid for in the ordinary way by the issue of Bank of Canada notes and cheques on itself, which would to a large extent be deposited by the chartered banks with the Bank of Canada.

The general effect was to increase the cash reserves of the chartered banks by $33 millions.

As the banks usually try to keep a ratio of about 10 to 1 between their deposit liabilities and their cash reserves, the increase in the latter encouraged them to enlarge their deposits by over $300 millions. This they ordinarily do by expanding their loans and setting up deposits against their loans, thereby increasing their liabilities and reducing the cash reserve.

Increased Reserves

The increase in reserves of $33 millions accordingly enabled them to increase their deposit liabilities by over $300 millions which became available for business as well as government borrowing. It was also partly available for borrowing to finance the crop movement.

By January, through the first expenditures for war purposes and the revenue of the wheat crop business had gained considerable momentum. It became evident that additional money could be raised by other means. Accordingly resort was had to borrowing from the public by a bond issue.

The accompanying chart shows how the cash reserves of the chartered banks, which include Bank of Canada notes and deposits with the Bank of Canada, have moved since the beginning of the war.

Colonel Ralston throughout his address indicated that there had been no change in the pay-as-you-go policy of the Government. The expansionist operation in the first period, and the partly expansionist borrowing in January, he indicated were designed only to stimulate business and expansion of income to make increased saving possible.

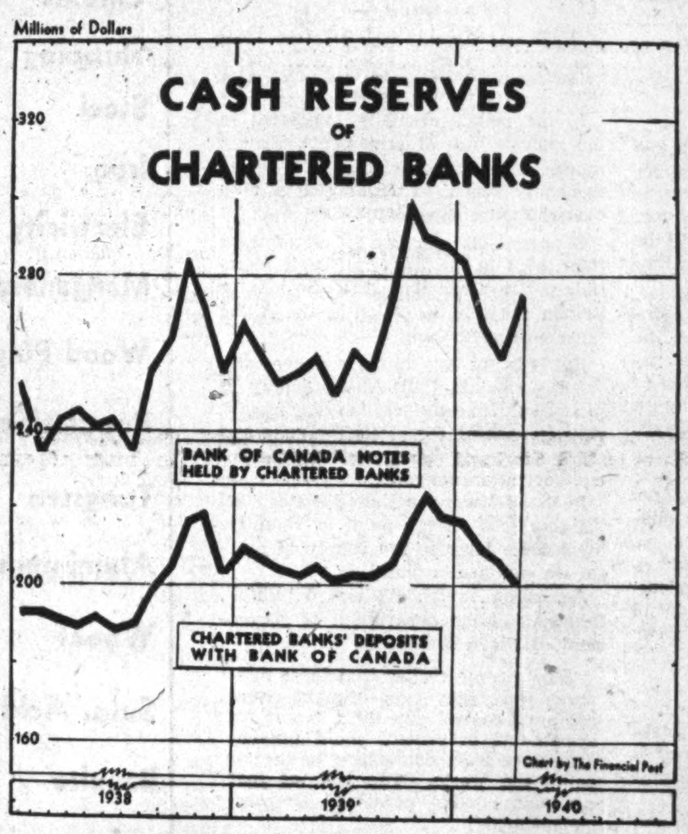
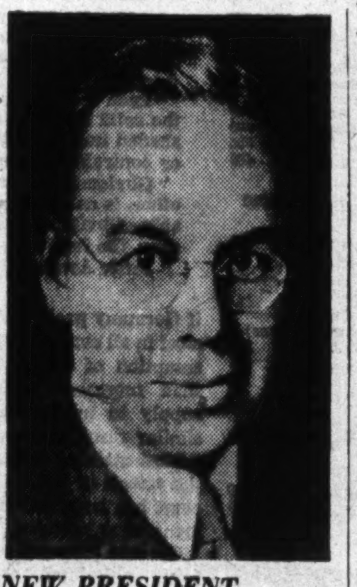


Chart by The Financial Post



NEW PRESIDENT

C. Stuart Malcolm, who was elected president of the Dominion Board of Insurance Underwriters at the annual meeting in Toronto. Mr. Malcolm is manager for Canada of the Royal Exchange Assurance group with head office for Canada at Montreal.

QUINTE & TRENT

Charter of Quinte & Trent Valley Power Co. has been surrendered and cancelled as from July 2, 1940, according to a notice in the Ontario Gazette.

Note Circulation Again Increases

Deposits of the chartered banks with the Bank of Canada in the week ended June 26 were down slightly, probably reflecting withdrawals by the public and corresponding reduction in the reserves of the chartered banks in the shape of deposits with the Bank of Canada.

Note circulation of the Bank of Canada rose to a new high level at $267.1 millions. Comparison of the circulation with the beginning of the year and at the outbreak of war follows:

Note Circulation Bank of Canada

Week ended:	Millns. of $
June 30	267.1
Jan. 3	224.2
Aug. 30, '39	179.3
June 28, '39	164.6

Balance Sheet

Liabilities	June 26 1940 $	June 19 1940 $
Capital paid-up	5,000,000	5,000,000
Notes in circ.	267,139,362	250,870,579
Rest fund	2,449,757	2,449,757
Depos.: Dominion	39,147,107	37,601,916
Bank	203,407,427	218,730,212
Other	10,723,562	11,489,268
Total deposits	253,278,096	267,821,396
All other liabs.	11,383,480	4,936,905
Total liabs.	539,250,695	531,078,637
Assets		
Reserve:		
In sterling & U. S.	8,944,314	9,211,049
Subsidiary coin	248,830	350,021
Advances	3,000,000	2,000,000
Investments:		
Dom. Gov. short	402,838,358	397,665,808
Other Dom. Gov.	118,347,374	117,046,928
Total invest.	521,185,732	514,712,736
Premises	1,682,916	1,679,533
All other assets	4,188,903	3,125,298
	539,250,695	531,078,637

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Canadian Investments Approved in New York

At the National Association of Insurance Commissioners meeting at Hartford, Louis H. Pink, Insurance Commissioner for New York, stated that foreign insurance companies entering the United States, by establishing branches in that country, should in effect be regarded as local insurance companies of the state of entry and stand irrespective of what happens to the parent company abroad.

There had been considerable pressure to liberalize investment laws in the United States as regards Canada, he said. Realizing that economically and socially the two countries were one, the New York laws allowed U. S. companies to invest in Canadian securities up to 10% of their assets, whether they do business in Canada or not.

Weekly Bank Clearings

	June 27 1940 $	Change Year Ago %	June 20 1940 $
Halifax	2,855,293	+26.6	3,413,404
Saint John	1,993,053	+14.0	2,035,913
Moncton	1,213,463	+32.2	1,005,124
Sherbrooke	852,641	+22.2	936,650
Quebec	4,261,239	+0.6	6,062,674
Montreal	85,920,209	—6.7	110,460,543
Ottawa	29,775,962	+89.9	26,644,074
Kingston	556,072	+6.7	722,317
Peterborough	596,000	—17.6	764,181
Toronto	90,488,395	—3.1	137,284,090
Hamilton	5,985,461	+24.6	6,522,825
Kitchener	1,130,551	+19.2	1,414,540
Brantford	991,436	+6.5	1,365,274
London	2,596,241	+25.9	3,390,934
Chatham	631,112	+20.8	706,545
Windsor	2,859,284	+24.5	3,406,732
Sarnia	491,196	+17.4	602,102
Sudbury	1,277,774	+13.5	1,035,797
Fort William	801,489	+18.4	976,558
Winnipeg	37,368,863	+6.9	49,043,011
Brandon	344,623	+18.0	408,903
Regina	3,421,283	+51.3	3,768,686
Saskatoon	1,361,279	+43.6	1,570,546
Prince Albert	350,909	+33.2	385,500
Edmonton	4,420,661	+30.1	4,921,938
Calgary	5,469,617	+32.5	5,884,878
Lethbridge	460,437	+6.3	481,787
Medicine Hat	227,280	+10.9	299,170
N. W'minster	780,449	—0.4	713,786
Vancouver	18,028,947	+9.8	18,230,939
Victoria	1,802,924	+6.3	2,125,367

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New Basis For Securities Trade

Exchange Control Brings New Methods for Investor

War conditions have brought many misconceptions of how investment has been affected in both Canada and the United States. But in few cases have there arisen so much confusion and misunderstanding as in Canada's international trade in securities. By far the most important section of this is with the United States and here at least three basic points should be emphasized:

1. Imposition of Foreign Exchange Control Board regulations has not halted the purchase and sale of securities across the Canada-U. S. border. In the first four months of this year approximately $90 millions of securities were bought and sold in this movement, all under the strict control of the Board.

2. A new set of conditions has been worked out and a new method of price determination has been developed.

3. Prices now offer to U. S. investors in particular an opportunity to acquire Canadian stocks and bonds at quotations much below levels prevailing prior to last September. Yields are at such levels as to discount, it would appear, most of the possible unfavorable happenings arising out of the war.

Long a Market

There has long been a market in many Canadian stocks and bonds in the United States.

There are around 30 or 35 Canadian stocks listed in either the New York Stock Exchange or Curb Market. Some of these are not traded in regularly, but others enjoy active New York markets.

This list includes such leading securities as Imperial Oil, International Petroleum, Ford of Canada, Dominion Steel & Coal B, Fanny Farmer, International Nickel, Hudson Bay Mining, Dome Mines, Noranda and many others.

In past year many Canadian corporations and governments have gone to the New York market to borrow capital on security of bond issues. The Dominion, the various provinces, several cities have been among this group. Canadian companies such as Gatineau Power Co., Shawinigan, Canadian Pacific, Bell Telephone, B. C. Power and others obtained a portion of their capital in the U. S. and included a clause in their bond indentures calling for payment of interest and principal in U. S. funds.

Many U. S. accounts also hold large amounts of Canadian payment bonds.

Recent years have seen many of these issues carrying U. S. pay options refunded with domestic issues only but many still remain.

Huge U. S. Investment

The result has been that United States investments in Canada had grown to just under $3,932.4 millions by 1937, representing well over half of the total foreign capital in Canada of $6,765 millions. As far back as 1926 U. S. investments in Canada totalled $3,161.2 millions. Estimates of what has happened since the outbreak of war are not available but at least U. S. investments in Canada have not decreased. This is proved by the figures for Canada's international trade in securities which has regularly showed more capital coming to Canada from the U. S.

Moreover, it is apparent that U. S. investors have found their Canadian holdings generally satisfactory. A. H. Williamson quoted figures in a recent speech to the Investment Bankers Association on the U. S. Pacific coast showing that average return on U. S. investments in Canada has been about 6% and only about 5% has been in default.

Prices Vary

Thus it is natural that markets have grown up, and are still maintained, in many Canadian securities in both the United States and Canada. But since the Foreign Exchange Control Board started operations last September, prices in Canada and in New York for the same security have shown substantial variations.

This difference is primarily due to fear of the effect of the war on Canada on the part of the U. S. investors.

It used to be practically impossible for a Canadian stock to be quoted materially higher in Canada than in New York. Sharp-eyed individuals were always watching for such opportunities. By buying where the stock was low and selling in the market where it was higher—technically known as arbitraging—they evened out the price and endeavored to make a small profit for themselves.

Nowadays free arbitrage transactions are no longer possible. Therefore, two distinct markets have risen for Canadian securities. This has been caused by several factors, among which might be mentioned the F.E.C.B. regulations as most important; discount on the Canadian dollar in New York; demand for, and supply of securities. Distinct prices have developed in Canada and in New York for the same Canadian securities.

What the trends of these prices have been since the F.E.C.B. took charge is shown by the charts accompanying this story.

New York Prices

Determination of the New York prices is not directly tied to any one of the factors mentioned. One section of the accompanying chart shows the two exchange rates prevailing for the Canadian dollar in New York. The one rate is the official rate at which the F.E.C.B., or any of its authorized dealers, will exchange Canadian dollars for U. S. dollars. The other rate is the "open market" rate taken from statistics prepared by Federal Reserve Bank in New York. How and why these two rates exist is not the subject of this story, but it is important to remember that less than 5% of all transactions in Canadian exchange are done at the New York rate.

At first glance it might appear that investors in New York would calculate the price they were willing to pay for Canadian securities from the exchange rate for Canadian dollars but this is not the case. A special discount rate is arrived at between buyer and seller and this rate applied on the Canadian price to determine what the security is worth in New York. Each class of security has its own discount rate and this varies from day to day.

In general, however, there are four main groups of securities in this trade. "Internal" bonds or stocks are those payable exclusively in Canadian funds; "external" bonds or stocks are payable in some currency other than Canadian. Thus at any one time there would be at least four discount rates prevailing in the arbitrage transactions between Canada and New York.

An example is given in the table that follows which shows the middle rates, or average of buying and selling arbitrage discount rates, for internal Dominion bonds since the first of this year. As these are only average rates, they will not exactly correspond with the prices used in the chart but they are quite close. It will be noted that these arbitrage discount rates do not correspond directly with either the official or unofficial rates for the Canadian dollar.

Middle "Arbitrage" Discount Rates for Internal Bonds

1940	%
January 2	20
January 9	19
January 16	18½
January 23	18
January 30	19
February 6	20½
February 13	20
February 20	20
February 27	20
March 6	22
March 13	23½
March 19	23
March 26	24
April 2	27½
April 9	25
April 16	25½
April 23	28
April 30	28
May 7	28½
May 14	31½
May 21	35½
May 28	35
June 4	37
June 11	36
June 18	34½
June 25	34½

Trading in securities across the border these days is almost exclusively an exchange of one security for another of equivalent class. Thus, in order to complete a transaction, a dealer in Canada has to find both a buyer and a seller and his correspondent in New York another buyer and seller, making the complete deal a four-party trade.

Where Margin Comes

If this trade can be completed leaving the Canadian dealer with a security eligible for return to Canada, which he can sell to some Canadian at a price which leaves him a small margin between the New York price converted to Canadian funds and the selling price in Canada, then he will carry through the deal. Sometimes, even when the margin may exist in theory, in actual practice no transactions are possible because of supply and demand factors.

As illustration of the type of trades permitted, the Dominion 4½%, 1958, bonds whose prices are charted here, could probably be exchanged for a C.N.R., Dominion guaranteed issue, but not for a C.P.R. bond. Likewise one C.P.R. bond could be traded for another at a different price but not for the Shawinigan 4½% issue unless the deal involved export of the C.P.R. issue to the U. S.

Permits to trade an "internal" issue for an "external" one would probably not be granted although it is not likely that any obstacles would be placed in the way of an exchange of an "external" issue for an "internal." The latter would be improving Canada's net position in that a U. S. investor would possess a Canadian pay security and a balance of so many U. S. dollars would be made available to the Board.

Huge Trade Slowed Up

When the Foreign Exchange Control Board started work on Sept. 16, 1939, it clamped down on what had developed into the most extensive international trade that Canadians shared, from the standpoint of the amount of money involved.

Across Canada's borders in recent years had moved stocks and bonds valued at about $550 millions in 1939 and over $700 millions in 1938. For the first four months of 1940 this trade has dwindled to approximately one half of its volume for the early months of either 1939 or 1938.

But while it is true that this movement of investment capital back and forth across Canadian frontiers is now strictly regulated, it has far from disappeared. Rather it is now permitted to proceed, subject to the major considerations that neither export of capital nor depletion of Canada's supply of foreign exchange is allowed.

Within this wide framework, investors in the United States, Great Britain and other countries can still buy and sell Canadian securities, and Canadians can do the same with stocks and bonds of other countries.

Even those directly involved in this trade from day to day, however, do not claim to know the exact details of the various transactions that are permitted or are forbidden. Most of them have to be considered on their own merits.

U. S. Trade Leads

By a considerable margin, the trade in securities between Canada and the United States has been most important to this country for a number of years. Probably because of proximity and the free passage of citizens of both countries across the international boundary, to say nothing of the work of the press of both countries and the radio, when Canadians looked outside of Canada for stocks to buy, they thought of the United States. To an even greater extent the converse is also true.

Branches of New York stock exchange firms were established in Montreal and Toronto. Canadian investment firms for years have maintained offices of their own in New York or had close relationships with correspondent firms in that city. Tickers giving quotations on Canadian stocks were to be found in many offices in the United States, while the majority of members of Canadian stock exchanges also supplied customers with regular quotes on the leading U. S. stocks and bonds. It was just as easy for a Canadian to buy shares of U. S. Steel as it was to buy Steel of Canada.

But that situation no longer prevails. A Canadian can only buy U. S. Steel share today if he already owns a "foreign" security which he is willing to sell in exchange. He cannot instruct his broker in Hamilton or Vancouver to buy him 100 shares of U. S. Steel and pay for it with a cheque on his Canadian bank in due course. In other words Canadians are not allowed to export capital from this country so long as the present regulations of the F.E.C.B. stay.

On the other hand, the F.E.C.B. is delighted if an investor in Philadelphia decides to buy a few Dominion of Canada bonds or a few hundred shares of stocks in any Canadian company. The only thing is that they require the U. S. investor to leave his money in this country, subject to approximately the same restrictions that Canadians themselves have to accept.

Permits Available

This trade is now subject to a bewildering array of "permits." Printed on red, pink, blue or white paper—each color indicating to the initiated a permit for a particular purpose — these permits are issued at the discretion of the F.E.C.B., always keeping in mind this organization's primary purpose of protecting Canada's capital and foreign exchange position.

In winning this war, it is recognized that Canada has to marshal every available dollar and reach to every possible source of supplies and equipment. The most important source is the United States, but to pay for things in that country we need U. S. dollars. So far the supply has proved adequate.

For the investor in Vancouver, Philadelphia or any other town in Canada or the United States, however, this array of imposing permits need cause no fears. His investment dealer or broker will make it his job to take care of all details along this line for him.

An experienced security dealer will probably be able to tell at once whether or not a particular transaction is possible under F.E.C.B. rule, but, if he is not sure he will fill out the proper forms, send them along to the Board and get his answer without delay. The only catch is that such orders must be accepted subject to obtaining the required permits.

The rules of the F.E.C.B. make particular provision for payment of income from Canadian securities to non-resident holders, a matter of considerable comfort to non-residents.

For purposes of the Board's classification, all stocks and bonds in Canada are divided into two groups on the basis of whether or not payment of interest, dividends or principal is exclusively to be made in Canadian funds. Stocks or bonds on which principal, interest or dividend is payable in any currency other than Canadian are labelled "foreign," including stocks or bonds of companies in the United States.

Switches Allowed

A Canadian can buy or sell any of the Canadian, domestic or "foreign" issues as he pleases so long as the transaction does not involve crossing the border.

A resident of the U. S. can buy or sell any Canadian issue as he pleases in New York, but can only import to Canada in exchange for other securities. The U. S. investor can buy Canadian securities in Canada with Canadian funds but cannot export the securities bought to the U. S. He can buy in Canada anything he likes with U. S. funds and export the securities if he desires.

Switching from one security to another on the part of either residents of Canada or the United States is allowed so long as it stays within certain limits.

Although this is far from a complete explanation of the limitations on trade in stocks and bonds across Canada's borders, it indicates some of the things that can be done and at least makes clear that a large volume of buying and selling is still possible. The wide range of securities actually traded this year is indicated by the following analysis of the actual trade as reported by the Dominion Bureau of Statistics.

Securities Trade Between Canada & U. S. Four Months Ended April, 1940

	Canadian Sales to United States $	Canadian Purch. from United States $
Candn. new issues	390,754	......
Candn. outstanding:		
Dominion	9,988,224	4,696,305
Provincial	4,572,391	2,405,479
Municipal	1,978,062	756,416
Dominion gtd.	4,224,711	4,626,747
Other railway	161,111	1,182,497
Other corporations	3,460,749	2,011,002
U. S. new issues:		
Government	......	3,053
Other	......	188,746
U. S. Outstand.:		
Government	33,582	6,753
Other	1,445,502	924,409
U. K. new. Govt.	......	2,419
U. K. outstand.:		
Government	30,697	35,721
Other	226,881	220,033
Other countries, new	......	4,953
Other countries, o/s	807,799	482,464
Unspecif. bds. & debs.	1,516,543	849,593
Total bonds & debs.	28,837,006	18,396,590
Common and pref. stocks:		
Canadian	8,278,087	10,111,919
United States	15,070,867	8,144,832
United Kingdom	3,712	......
Other countries	59,338	6,653
Short-terms*	25,897	......
Other securities:		
Canadian	79,352	68,829
United States	679	......
Other countries	1,079	325
Grand total	52,356,017	36,729,158

*One year or less.

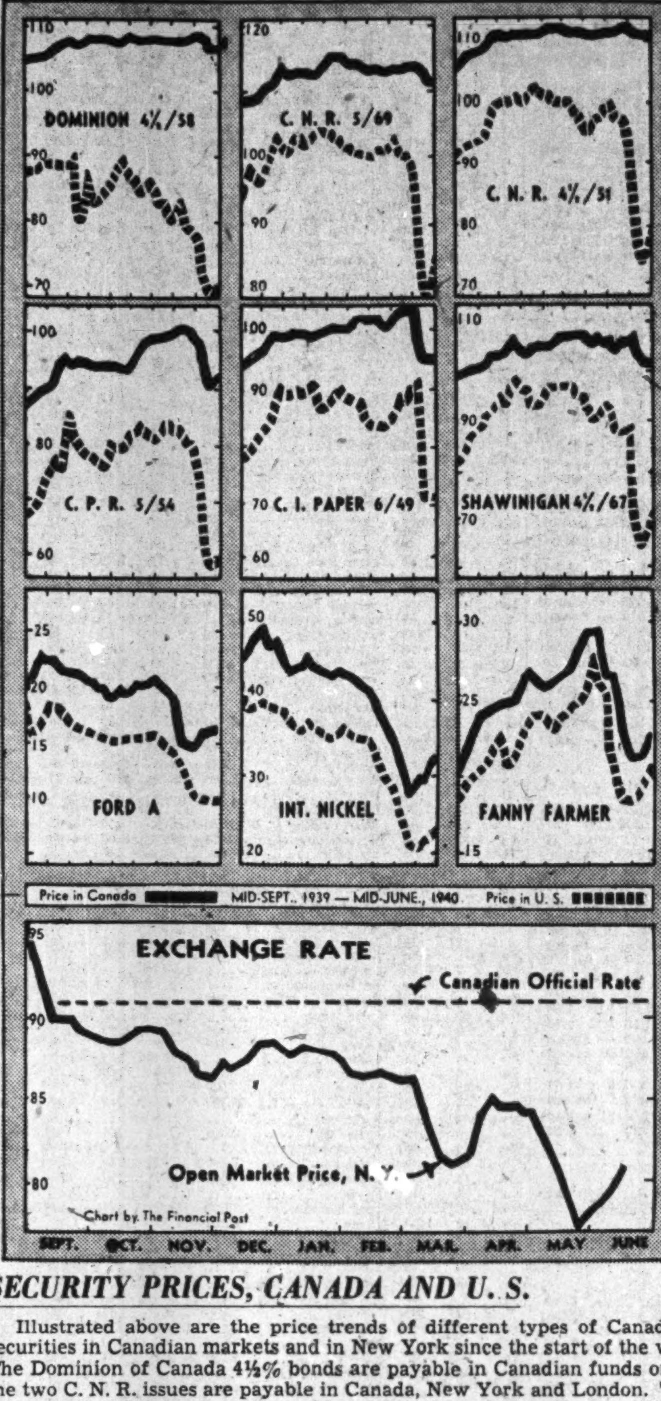

Chart by The Financial Post

SECURITY PRICES, CANADA AND U. S.

Illustrated above are the price trends of different types of Canadian securities in Canadian markets and in New York since the start of the war. The Dominion of Canada 4½% bonds are payable in Canadian funds only; the two C. N. R. issues are payable in Canada, New York and London. The three corporation bonds are payable in Canada and New York, with the Shawinigan issues also payable in London. Among the three stocks charted Ford of Canada is payable as to dividends in Canadian funds only, International Nickel payable in United States funds and Fanny Farmer payable in United States funds. The latter company operates entirely in the United States.

Since Sept. 16 last there have been two rates for the Canadian dollar (lower chart) in New York. While the New York open market rate governs only an inconsequential portion of total exchange transactions it has considerable influence on the price of Canadian securities in New York. However, it is not the only factor.

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3. Supply facts rather than opinions.

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3. Reply by telephone or telegraph.
4. Select lists of securities; express opinions; or make forecasts.

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Hiram Walker

Is it true that shares of liquor companies sell at a higher average yield than companies in other businesses with comparable financial positions? Can you give me an outline of Hiram Walker-Gooderham & Worts?

It has been generally true for some years past that shares of liquor companies have sold at a somewhat higher average yield than would companies engaged in other businesses and having comparable financial positions and earning records. This is probably due to the public relations problem which this industry has always had to face and has probably been noticeable to a greater extent since the outbreak of war because of evidence the industry will have to bear higher taxation.

Hiram Walker-Gooderham & Worts ranks as one of the four leading liquor concerns in the United States where it does by far the largest portion of its total business. The company also has extensive interests in Scotland although operations there were closed down to a great extent around the end of last October. This was as a result of the British Government action in commandeering all grain supplies in the United Kingdom except home-grown barley.

Regular dividends of $4 a share are paid annually on the common stock. For the six months ended Feb. 29, 1940, earnings per share were equivalent to $3.67 on the common compared with $4.01 in the corresponding period a year earlier. Earnings have covered dividends by a substantial margin since initial payments were made in 1936.

The company's financial position must be considered adequate to meet expected demands as it had working capital of $29.4 millions at the end of last August. Necessity of building up inventories of matured spirits has resulted in working capital rising steadily since 1934.

Fleet

With emphasis on the peacetime possibilities of Fleet Aircraft stock, what do you think of the future for these shares?

Current speculation on the equities of aircraft companies centres almost entirely around the war feature of their business. It is difficult to estimate of what character or magnitude any post-war aircraft business would be. Fleet aircraft is devoting its productive capacity principally to the manufacture of primary training planes at the present time. It is quite probable that with the termination of this business the production facilities could be switched to the manufacture of transport planes. But this organization would compete with established industries such as Douglas and Lockheed in the United States, which also have the advantage of having their industrial capacities built up by war business. Fleet would thus meet very rigid competition in the potential field of post-war aircraft manufacture. With the cessation of hostilities outlet for the company's planes would be widely altered.

International Pete

Will you give me a report on the present status of International Petroleum Co. from an investment standpoint?

Shares of International Petroleum Co. have long been deservedly popular with Canadian investors. The company has a long record of satisfactory returns to shareholders and has built up strong financial position. Its operations are carried on exclusively in Peru, Colombia and Venezuela. This factor of operating in foreign countries is probably the chief drawback to investment in the company's shares for a Canadian.

Earnings in 1939 were equivalent to $1.19 a share on both preferred and common stock, which rank equally as to earnings. Dividends totalling $1.75 a share were paid. Currently the company is only paying its regular 75 cent semi-annual dividend, a total of $1.50 a share. Extras were paid for several years up until last year. Need of liquid assets in development of properties in South America resulted in omission of extras with the last two payments.

Two main factors seem to have accounted for the less satisfactory earnings shown last year. The most serious was generally lower price obtained for crude oil throughout practically all of the past 18 months. Even yet there has been practically no rise in crude oil prices although it does seem that the tendency to decline has been halted. Another factor, production was down slightly, although this does not seem to have been a very important reason for the drop in earnings.

Indications are 1940 should be a better year for this company. It will have the benefit of a rising crude oil output, particularly noticeable from operations in Venezuela which it is carrying on in conjunction with Mene Grande Oil Co. Drilling operations in both Peru and Colombia have also been more favorable recently and company officials tell us that the position of the company's properties is better than for some years past.

Effect of the war on operations has not been very great as yet. Shutting off of petroleum supplies from the Near East and Asia as a result of Italy's entry into the war will probably require the United Kingdom to turn more toward America for its needs. Venezuela would be the logical place to look for much of this increase and International Petroleum is now developing large output from this country. Outlook as regards the war is complicated somewhat by the fact that German conquest of European countries is shutting off markets that formerly took varying quantities of oil.

Cub Aircraft

Can you give me an outline of what Cub Aircraft Corp. does and its financial position?

Cub Aircraft Corp., or its predecessor, has been carrying on business in Canada since July, 1936. The company specializes in making small commercial airplanes which have been extensively used for training purposes and by private individuals.

Late in 1939 the company acquired from the Harlow Aircraft Co. of Alhambra, Cal., sales and manufacturing rights of low-winged monoplanes of commercial and advanced trainer type.

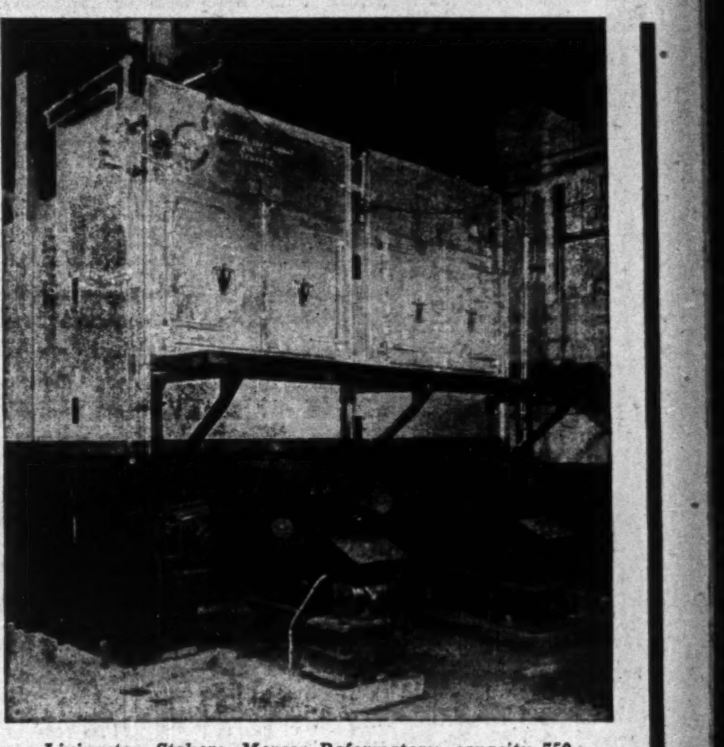
Since then it has been raising capital to enlarge its plant. It has apparently not been completely successful in this as yet. As a result it is rather difficult to give any reasonable picture of the company's actual position at present.

The report for the period ending last December shows small profits being earned. This earning power, however, has been developed entirely from ordinary peacetime activities.

CANADIAN SECURITIES

Dominion and Provincial
Government Bonds
Municipal Bonds
Public Utility
and
Industrial Financing

DOMINION SECURITIES
CORPORATION LIMITED
TORONTO MONTREAL WINNIPEG VANCOUVER NEW YORK LONDON, ENG.
15 King Street West, Toronto



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CANADA PERMANENT
Mortgage Corporation
Head Office
320 BAY ST. - TORONTO
Assets Exceed $68,000,000

THE WEEK'S QUOTATIONS

Toronto and Montreal Exchange

The following table is confined to official prices for listed stocks, including curb market quotations. Where no transaction is recorded, bid and asked prices are given. For unlisted stocks, quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

WEEK ENDING JULY 1

Range 1940 High	Low	Div R'te $	Jne29 Y'ld %		Sales	Last June 24	Week end. July 1 H	L	Cl'se
				A					
2.50	.50	.	...	Abitibi	4330	.50	.70	.50	.60
17½	2	.	...	Do. pref. 6%	3180	3½	3½	2	3
33	6	.	...	Do. pref. 7%	100	12	6	6	6
6	3	.	...	Acme Glove	10	3	3	3	3
57	50	6.50	12.5	Do. pref.	....	(— bid 49 asked)			
12½	9	80c	8.9	Agnew Surp.	50	10	9	9	9
110	105	7	6.5	Do. pref.	....	(— bid 108 asked)			
3	½	.	...	Alta. Pac. Gr.	100	1	1	½	½
36	24	.	...	Do. pref.	20	24½	24	24	24
16½	7	.	...	Algoma Steel	525	7	7½	7	7½
100	82½	$2.50	...	Do. pref.	....	(— bid 85 asked)			
145	80	$3	...	Aluminum	105	90	87	82	85
122	110	6	4.9	Do. pref.	....	(85 bid — asked)			
8½	6	.	...	Amal. Electric	....	(5½ bid 6 asked)			
43	38	60c	1.4	Amer. Cyn. B.	....	(43 Apr. 26)			
49½	46	2.75	6	Ang. Can. Tel. p	....	(52 bid 60 asked)			
26½	14½	60+80c	7.5	Asbestos	254	16	16½	16	16
19½	12½	1	6.9	Assoc. Brew.	155	14	14½	14½	14½
112½	109	7	6.4	Do. pref.	5	109	109½	109½	109½
•2	2	.	...	Assoc. T. & T. A.	....	(— bid — asked)			
•34	26	48c	...	Do. pref.	....	(— bid 34 asked)			
103	101	5.50	5.3	Ault & Wiborg	....	(— bid 105 asked)			
				B					
164	138	8	5.7	Bk. Can. Nat.	13	140	140	140	140
212	172	8	4.5	Bk. Montreal	126	182	188	172	172
315	280	12	4.2	Bk. N. Scotia	23	285	284	284	284
268	220	10	4.4	Bk. Toronto	....	(225 June 7)			
•5	4½	.	...	Barcelona	....	(— bid — asked)			
6½	5	.	...	Barker's Bread	....	(1 bid 3 asked)			
28	25	2.50	10	Do. pref.	....	(24 bid 30 asked)			
15½	6½	$50c	..	Bathurst Pr.	855	9	9	8½	8½
5	1½	.	...	Do. (B)	100	2½	2	2	2
1.75	.10	.	...	Bawlf Grain	200	.15	.10	.10	.10
45½	25	.	...	Do. pref.	....	(16 bid 36 asked)			
5	3	.	...	Beath & Sons	....	(2 bid 4 asked)			
5½	3	.	...	Beatty Bros.	....	(3½ bid 5 asked)			
102	96	6	6.2	Do. pref.	....	(— bid 95 asked)			
90	90	7	7.8	Do. 2nd pref.	....	(— bid 90 asked)			
6½	2½	.	...	Beauharnois	579	3½	4½	3½	3½
97½	80	4	5	Belding Cort.	....	(— bid 100 asked)			
150	130	7	5	Do. pref.	....	(— bid 135 asked)			
169	140	8	5.5	Bell Telephone	813	147	148	140	140
12	10	60+15c	7	Biltmore Hats	....	(— bid 9½ asked)			
9½	8	.	...	Blue Ribbon	....	(— bid 8 asked)			
42	36½	2.50	6.7	Do. pref.	——	(— bid 36 asked)			
20½	19	1.30	6.5	Brant. Cord. pf.	....	(19½ bid 21 asked)			
10½	3½	.	...	Brazilian Tr.	3712	4½	4½	3½	4½
5½	3	50+25c	..	Brew. & Distil.	40	3½	3½	3½	3½
6½	6½	30c	4.6	Bright, T. G.	....	(6½ bid — asked)			
89	89	6	6.7	Do. pref.	7	..	89	89	89
23½	14½	1	6	Brit. Amer. Oil	3494	16½	17½	16½	16½
19½	10	.	...	B. C. Packers	200	11	11	10	10
30	24	2	8.3	B. C. Power A.	200	24½	26	24	24
3½	2	.	...	Do. (B)	....	(2 bid 2½ asked)			
7	4½	.	...	Bruck S. Mills	325	4½	5	4½	5
17½	12	70+10c	6.3	Building Prod.	1365	12½	13	12	13
14	6½	60c	7.4	Burlington St'l.	60	8½	8½	8½	8½
				C					
70	70	.	...	Calgary Power.	....	(70 bid 75 asked)			
101½	90	6	6.4	Do. pref.	10	94	93½	93	93½
5½	2½	.	...	Canada Bread	50	3	2½	2½	2½
105	95½	5	5.2	Do. pref.	....	(— bid 93 asked)			
58	42	2.50+37½c▲	6	Do. pf. B.	....	(30 bid 41 asked)			
6	4	40c	8	Canada Bud	15	5	4½	4½	4½
8½	3	.	...	Canada Cement	350	3½	4	3½	3½
100	75	5	6.2	Do. pref.	5	80	80	80	80
106	103	5	4.8	Canada Cycle, p	....	102 bid 105½ asked			
35	24	1.50+25c	7	C. & D. Sugar	460	25	25	24½	25
b22½	11½	50c	3.6	Canada Dry	47	14½	14½	13½	13½
23	11	$75c	..	Can. Forg. (A)	....	(11 bid — asked)			
22	20	.	...	Do. (B)	....	(— bid 13 asked)			
40	38	3	7.9	Can. Iron	....	(25 bid — asked)			
75	65	4	6.2	Do. pref.	....	(65 bid — asked)			
3½	1	.	...	Can. Mach'y	....	(3½ bid — asked)			
32	25	.	...	Do. pref.	....	(32 bid — asked)			
39½	29½	2	6.7	Can. Malting	295	32	32½	29½	31
18	10½	1.20	10.7	Can. Nor. Pr.	....	(12 bid — asked)			
111½	90	7	7.7	Do. pref.	5	91	94	94	94
104½	65	3+1	6.2	Can. Packers	20	72	65	65	65
.25	.25	.	...	Can. Paving, p.	....	(7½ bid 8 asked)			
150	120	8	6.5	Can. Perman.	93	120	128	120	128
6½	6½	50c	...	Can. Starch	....	(6 bid — asked)			
110	109	7	6.4	Do. pref.	....	(109 bid — asked)			
8½	2½	.	...	Can. Steamsh's.	1347	3½	3½	2½	3
21½	9½	$62½c	...	Do. pref.	327	11½	11	9½	9½
15½	5	$40c	...	Can. Vinegars	10	7	6	6	6
65	40½	4	8.9	Can. W. Cable.	20	49	45	40½	45
24	14	50c	3.6	Do. (B)	7	16	16	14	14
106½	105	6.50	6	Do. pref.	....	(— bid — asked)			
3	1½	.	...	Can. Bakeries	....	1 bid 1½ asked)			
64	40½	$3	...	Do. pref.	....	(— bid 40 asked)			
178	135	8	5.6	Can. Bk. Com.	128	150	146	135	140
2.75	1.10	.	...	Can. Breweries.	100	1.25	1.10	1.10	1.10
31½	21½	3	12.9	Do. pref.	330	22½	23½	22½	22½
45	29	1.50+50c	7	Can. Bronze	235	30	30	29	29
107	106½	5	4.7	Do. pref.	....	(— bid — asked)			
10½	6	25c	...	Can. Canners	90	6	6	6	6
22	17½	1+10c■	6	Do. 1st pfd.	70	18	18½	18	18
14	7½	60+10c■	8	Do. 2nd pfd.	110	9	8½	8½	8½
16½	5½	.	...	Can. Car & F'y	1503	6½	6½	5½	6½
29	12½	.	...	Do. pref.	115	13½	13½	12½	13
37½	20	1	3.8	Can. Celanese.	1290	26	26	25	25
129	105	7+1.16■	...	Do. pref.	50	110	110	110	110
22	20	1	4.5	Do. Rights	200	21	22	22	22
19½	14	50c	...	Can. Convert.	....	(14 bid 16 asked)			
120	101	4+2	5.9	Can. Cottons	....	(75 bid 102 asked)			
118	99½	6	6	Do. pref.	....	(100 bid — asked)			
32	10	1.50	13	Can. Dredge	103	15	11½	10	10
101	100	6	6	Can. Fairb. pf.	....	(— bid — asked)			
14½	5	1.40	16.2	Can. For. Inv.	25	8	5	5	5
101	98	8	8.2	Do. pref.	....	(— bid 101 asked)			
240	200	8	3.4	Can. Gen. Elec.	....	(— bid — asked)			
9½	9	50c	5.3	Can. G. Inv.	....	(— bid 9½ asked)			
3.62	1.65	†15	...	Can. Ind. Alc.	690	1.75	1.75	1.75	1.75
3.12	1.65	†15	...	Do. (B)	....	(1.75 bid — asked)			
235	178½	7	3.8	Can. Indust. B.	10	185	184	178½	179
175	150	7	4.7	Do. pref.	5	155	150	150	150
.30	20	.	...	Can. Int. I. Tr.	....	(.05 bid .25 asked)			
45	43	2	4.4	Do. pref.	....	(40 bid 60 asked)			
18½	15½	1	6.2	Can. Lt. & Pr.	....	(— bid 15 asked)			
20	7	.	...	Can. Locomo.	5	8	8	8	8
1.40	.65	4c	...	Can. Marconi	830	.80	.90	.80	.90
21½	12	50+50c	6.7	Can. Oil	100	15	15	15	15
123	109½	8	7.3	Do. pref.	....	(103 bid — asked)			
8½	4	.	...	Can. Pacific	2339	4½	4½	4½	4½
1.50	.25	.	...	C. Pr. & Pa. In.	....	(.25 bid 1.00 asked)			
5	2½	.	...	Do. pref.	....	(1 bid 2½ asked)			
8½	2	.	...	Can. Vickers	10	2½	3	3	3
33	7½	.	...	Do. pref.	55	8	8	7½	7½
13½	9½	1	10.2	C. Wallpaper A.	....	(— bid .10 asked)			
13	9	1	11.1	Do. (B)	....	(— bid 13 asked)			
52½	48	1.50	3.1	Can. West'ho'se	....	(— bid 50 asked)			
5	3½	†25c	..	Can. Wineries	10	4	4½	4½	4½
22	13½	1.50	10	Can. Wire Box.	....	(13½ bid 15 asked)			
1.75	1.35	.	...	Capital Estates	....	(— bid 1.25 asked)			
117	114	5	4.3	Carnation, pfd.	....	(114 bid — asked)			
18	10	50c	5	Catelli Food	....	(10 bid — asked)			
14½	10	75	7.5	Do. pref.	25	10½	10	10	10
37½	37½	50c	...	Celanese of A c	....	(— bid — asked)			
2½	2	.	...	Celtic Knit	....	(150 bid — asked)			
160	160	8	5	Cent. Can. L'n.	....	(— bid — asked)			
102	100	4+1	5	Chart. Trust	....	(90 bid 105 asked)			
.54	.10	.	...	Chem. Research	2300	.10	.21	.17	.17
.20	.10	.	...	City Gas & El.	....	(10 bid 20 asked)			
.15	.05	.	...	Claude Neon.	....	(.05 bid .10 asked)			
1.42	1.00	12c	10.8	Coast Brew.	3700	1.00	1.11	1.05	1.05
9½	3½	.	...	Cockshutt Plow	560	5	5	4½	4½
3.50	1.55	10c	...	Comm. Alcohol	125	1.75	1.75	1.70	1.70
6½	5	40c	6.9	Do. pref.	....	(— bid 6 asked)			
4	3½	$25c	...	Conduits Nat.	....	(— bid 4½ asked)			
19	13	1+25c	9.6	Cons. Bakeries	45	14	13½	13	13
.10	.05	.	...	Cons. Div. Sec.	....	(— bid .08 asked)			
11	6½	75c	11.5	Do. pref.	....	(7½ bid 14 asked)			
8½	3	.	...	Cons. Paper	2034	3½	3½	3½	3½
10	5	.	...	Cons. Press	....	(4 bid 6 asked)			
65	55	1.25	...	Cons. Sand, pf.	....	(55 bid 75 asked)			
49	28½	1+1	6.2	Cons. Smelters.	870	32	32½	31½	32
178	140	10	6.9	Consumers' Gas	4	142	145	145	145
68	40	$1.75	..	Corr. P. Box, p.	....	(— bid 57 asked)			
31½	19½	1.20	6	Cosmos Imp.	....	(— bid 21½ asked)			
105½	104½	5	4.8	Do. pref.	....	(— bid 103½ asked)			
32	21	1.60	7.2	Crown Cork	60	21	22	21½	21½
3	3	.	...	Crown Dom. Oil	....	(1½ bid 4 asked)			
34½	27	3	10	Crow's N. Coal	....	(— bid 25 asked)			
3.75	.70	.	...	Cub Aircraft	360	.75	.90	.75	.75
				D, E					
19	10	1+10c	11	David & Fre. A.	....	(10 bid 13 asked)			
3½	1	.	...	Do. (B)	100	2½	1	1	1
17	6½	.	...	de Havilland	10	8	6½	6½	6½
92	86	.	...	Do. pref.	....	(75 bid — asked)			
3½	1½	.	...	Disher Steel	....	(1½ bid 2½ asked)			
14	10	.	...	Do. pref.	....	(— bid 15 asked)			
27½	18½	2.22	10.3	Distill-Seagram	815	21½	22	21½	21½
97½	80	5	5.6	Do. pref.	280	95	91	85	86
39½	39½	1	...	Dom. Ang. Inv.	....	(26 bid — asked)			
70	70	5	7.2	Do. pref.	....	(55 bid 70 asked)			
210	155	10	6	Dom. Bank	101	167	165	155	155
40	22	1.20	5.2	Dom. Bridge	728	24½	23½	22½	22½
22½	16	1.50	8.4	Dom. Coal pf.	810	17½	17½	17½	17½
44	20	.	...	Dom. Engineer.	....	(20 bid 29 asked)			
36½	19	1	4.9	Dom. Foundries	1461	21½	21½	20	20½
109	103½	6	5.8	Do. pref.	....	103½ bid 110 asked			
125	113	5	4.4	Dom. Glass	....	(115 bid 126 asked)			
156	145	7	4.8	Do. pref.	....	(130 bid 140 asked)			
35	29½	1.20+40	4½	Dom. Oilcloth.	100	35	29½	29½	29½
1.50	1.25	.	...	Dom. Scot. Inv.	....	1.00 bid 1.25 asked			
31	27	$1.25	...	Do. pref.	....	(— bid 27 asked)			
4½	1	.	...	Dom. Square	....	(1½ bid — asked)			
15½	6½	.	...	Dom. St. & C.B.	2370	7½	7½	6½	6½
5½	3	.	...	Dom. Stores	....	(3 bid 4 asked)			
8½	3	.	...	Dom. Tar & Ch.	440	4	4	4	4
90	75	5.50	6.9	Do. pref.	25	75	80	75	75
90½	70	5	6.9	Dom. Textile	80	72½	73	72½	72½
155	148	7	4.7	Do. pref.	2	149	148	148	148
3½	1	.	...	Dom. Woollens.	....	(1 bid — asked)			
9½	3½	.	...	Do. pref.	45	5	4½	4½	4½
10	3½	.	...	Donnacona P.A.	285	4½	4½	4	4½
9½	3	.	...	Do. (B)	100	3½	3½	3	3½
11½	4	.	...	Dryden Paper	250	4½	5	4½	4½
•1.00	.30	.	...	East Koot. Pr.	....	(— bid 1.00 asked)			
7	5	.	...	Do. pref.	....	(— bid 10 asked)			
1.00	.50	.	...	East Dairies	5	.60	.60	.60	.60
8½	3	.	...	Do. pref.	25	3½	4½	4½	4½
18½	8	1	11.1	East Steel	155	9	9	9	9
100	97	7	7	East Theat. pf.	....	(— bid 100 asked)			
4½	3	.	...	Easy Washing	....	(— bid 3 asked)			
29½	27½	$1.12½	...	Economic Inv.	....	(— bid 25 asked)			
12	7½	1.20	16	Electrolux	70	8	8	7½	8
5½	2	.	...	Enam. & Heat.	....	(2 bid 4 asked)			
34	29½	2.50	8.1	English Electric	....	(— bid 31 asked)			
6	2½	.	...	Do. (B)	5	4	2½	2½	2½
6	3½	15c	4.3	Equitable Life	80	3½	3½	3½	3½
				F, G					
6½	2	.	...	Fairchild Air	785	2½	2½	2	2½
24	18	1	5.6	Fam. Players	140	20	18	18	18
30	20½	1.50+25c	8	Fanny Farmer	915	22½	22½	22	22½
10½	3½	.	...	Fleet Aircraft	375	4½	4½	3½	3½
1.50	.75	.	...	Fleury Bissell	....	(.75 bid — asked)			
27	20	.	...	Do. pref.	....	(20 bid 27 asked)			
22½	13½	1	6.9	Ford Motor A.	3021	16	16½	13½	14
21½	14	1	6	Do. (B)	....	(14½ bid 15 asked)			
.20	.05	.	...	For. Pr. Secs.	....	(— bid .15 asked)			
15½	6	25c	...	Foundation Co.	460	8½	9	8½	8½
20	6	.	...	Fraser Cos.	115	6½	7	6½	6½
21½	7½	.	...	Do. Vot. Tr.	630	9	9	8½	8½
.50	50	.	...	Freiman	....	(.50 bid 1.00 asked)			
38	25	.	...	Do. pref.	5	32	32	32	32
16½	10	80c	7.3	Gatineau Pwr.	290	11½	11	10½	10½
97	80	5	6.1	Do. pref.	45	80	82	80	80
105½	90	5.50	6.1	Do. 5½% pref.	....	(— bid 97 asked)			
6	1½	.	...	Do. Rights	....	(— bid 2 asked)			
10½	4½	.	...	Gen. St. Wares.	700	4½	4½	4½	4½
96½	77	7+32c■	...	Do. pref.	1	77	77	77	77
87	58	2.50+2.50	8	Goodyear T.	130	61	62½	60½	60½
57½	51	2.50	4.7	Do. pref.	55	52	53½	52	52
•50	50	$2	..	Gould Pumps p.	....	(— bid — asked)			
8	7½	.	...	Gt. Lakes Pap.	....	(— bid 5 asked)			
29	25	50c	...	Do. pref.	....	(— bid 27 asked)			
8	2½	.	...	Do. Vot. tr. c.	51	3	3½	2½	3½
27½	13	50c	...	Do. Vot. tr. p.	230	15	15½	15	15½
3½	1½	.	...	Gt. W. Saddlery	75	2½	2½	2½	2½
35	24	$2.25	...	Do. pref.	....	(— bid 35 asked)			
14½	12½	60c	4.8	Greening Wire	....	(— bid 12 asked)			
1.25	1.25	10c	8	Growers' Wine	....	(— bid — asked)			
10½	4½	†30c	...	Gurd, Chas.	....	(4 bid 4½ asked)			
107½	106½	7	6.5	Do. pref.	....	(— bid 105 asked)			
5½	2½	.	...	Gypsum, Lime	....	(2½ bid — asked)			
				H, I					
21½	21½	1	4.7	Halifax Fire	....	(— bid — asked)			
8½	3	.	...	Ham. Bridge	975	3	3½	3	3
38½	34	2+25c▲	6	Ham. Cot., pref	....	(— bid 35 asked)			
1.50	.50	.	...	Ham. U. Theat.	500	.70	.50	.50	.50
75	60	6	10	Do. pref.	....	(63 bid — asked)			
4½	3	20+10c	10	Harding Carpet	500	3	3½	3	3½
.25	.25	.	...	Hillcrest Coll.	5	.25	.25	.25	.25
4	2½	.	...	Do. pref.	....	(2½ bid 3½ asked)			
16	7½	50c	5.9	Hinde & Dauch	15	8½	8½	7½	8½
•20	20	.	...	Holt Renfrew	....	(— bid — asked)			
40	35	.	...	Do. pref.	....	(20 bid 40 asked)			
25	17½	50c	...	Honey Dew	15	21½	21½	20	20
23½	11½	.	...	H. Smith Pap.	540	12½	13	13	13
106	85	6	6.7	Do. pref.	....	(87½ bid — asked)			
17	11	1	9.1	Humberstone S.	10	13	11	11	11
11	5	.	...	Hunts (A)	....	(6 bid 10 asked)			
10½	5	.	...	Do. (B)	....	(6 bid 7 asked)			
74½	54	4	7.4	Huron & E. Mt.	12	55	54	54	54
12	10	80c	...	Do. 20% pd.	....	(— bid 11 asked)			
2½	2½	20c	8	Hydro Electric.	....	(2 bid 3 asked)			
220	180	10	5.4	Imperial Bank	28	180	182	182	182
15½	8½	50+25c	8.8	Imperial Oil	14589	9½	9½	8½	8½
16½	12	40+22½c	5	Imperial Tob.	3230	13	13½	12½	13½
7½	6½	6%	4.9	Do. pref.	....	(— bid 8 asked)			
29	18½	2	10.7	Indust. Accept.	....	(18½ bid 20 asked)			
36	33	3	9.1	Inter-City Bak.	....	(23½ bid 25 asked)			
51	50	5	10	Inter'c Coal	....	(40 bid — asked)			
120	120	8	6.7	Do. pref.	....	(— bid — asked)			
23	15½	1.50	9.7	Inter. Bronze	....	(— bid 15½ asked)			
28½	20	1.50	7.5	Do. pref.	90	20½	20	20	20
.30	.30	3c	...	Int. Coal & C.	....	(.30 bid — asked)			
15½	5	.	...	Int. Metal Ind.	....	(5½ bid 6½ asked)			
114	90	6+6▲	6.3	Do. pref.	50	90	95	95	95
113½	85	6+6▲	6.7	Do. pref. A	....	(90 bid 115 asked)			
115*	111½	5	4.3	Int. Mil., pf.	10	115	113½	113½	113½
47	27½	2	6.2	Int. Nickel	3573	32½	32½	30½	32½
3½	1	.	...	Int. Paints	....	(1 bid — asked)			
•18	11	1+25c▲	9	Do. pref.	....	(11 bid 14 asked)			
23½	12	.	...	Int. Pap. & P.	....	(14½ bid — asked)			
80	47	5	...	Do. pref.	....	(— bid — asked)			
24	12½	1.50	11.7	Int. Peter.	10966	13½	14	12½	13
6	2	.	...	Int. Power	40	2½	2½	2½	2½
96	70	6	8	Do. pref.	913	76	75	70	70
•11½	10½	.	...	Int. St. Rlty. A.	....	(— bid 14 asked)			
•4	3½	.	...	Do. (B)	....	(— bid 4½ asked)			
11½	7	.	...	Int. Util. (A)	....	(6 bid — asked)			
.65	.15	.	...	Do. (B)	....	(.15 bid .25 asked)			
				J, K, L					
14½	12½	$34c	...	Jam. Pub. Ser.	....	(12½ bid 13½ asked)			
135	130	7	5.4	Do. pref.	....	(— bid 130 asked)			
9½	5	50c	10	Kelvinator	....	(6 bid 7 asked)			
28	10	.	...	L. St. John Pr.	....	(6 bid — asked)			
2.50	.65	.	...	Lake Sulphite	....	(.65 bid 1.50 asked)			
27	14	50c	...	Lake of Woods	56	15	15	14	14
128	110	7	6.4	Do. pref.	2	110	110	110	110
55	50	4	7.7	Landed Bank	....	(— bid 55 asked)			
17	13	70+30c	7.3	Lang, J. A.	....	(— bid 13 asked)			
•3½	2	.	...	Langley's	....	(— bid 1½ asked)			
27	18	.	...	Do. pref.	....	(— bid 26 asked)			
13½	9	80c	8.6	Laura Secord	455	9½	9½	9	9½
9½	2	.	...	Legare, pref.	....	(— bid 7½ asked)			
5½	2½	.	...	Lindsay, C. W.	75	3	3½	3	3½
35	35	.	...	Do. pref.	....	(— bid — asked)			
28½	20	1+25c	5.7	Loblaw (A)	355	22½	22½	21½	22½
27	20	1+25c	6.2	Do. (B)	510	21	21½	20	20
				M					
.55	.25	.	...	Mackenzie Air.	....	(— bid .25 asked)			
2½	2½	.	...	MacKin. Steel	....	(— bid — asked)			
59	59	.	...	Do. pref.	....	(55 bid 59½ asked)			
22	9	.	...	Maclaren Pr. p.	200	10½	10½	10½	10½
10	6½	.	...	M. L. Gardens.	6	10	9	8	8
7	4½	70c	12.7	Do. pref.	....	(— bid 5½ asked)			
5½	1½	.	...	Maple Leaf M.	550	2	2½	2	2
9½	3	.	...	Do. pref.	....	(3½ bid 4½ asked)			
17½	16½	70+10c	5	Maritime Tele.	....	(— bid — asked)			
17½	17	70c	4.1	Do. pref	....	(— bid — asked)			
15	15	.	...	Marcus Loew's.	....	(12 bid — asked)			
•100	100	7+1.75▲	...	Do. pref.	....	(— bid — asked)			
6½	2½	.	...	Massey-Harris	1395	2½	3	2½	2½
59½	25	.	...	Do. pref.	232	26	26	25	25½
9½	5	.	...	McColl Fron.	515	5	5½	5	5
101½	80	6	7.3	Do. pref.	135	83½	83	80½	80½
1.65	1.00	.	...	Melchers	....	(.75 bid 1.25 asked)			
6½	3½	.	...	Do. pref.	6	4	3½	3½	3½
•1½	1½	.	...	Mercantile Tran	....	(1½ bid — asked)			
•5	5	3%	...	Do. pref.	....	(4½ bid — asked)			
12½	5	.	...	Mercury Mills	....	(5½ bid 7 asked)			
43	43	2	4.6	Mitchell, J. S.	....	(43 bid — asked)			
110	110	7	6.4	Do. pref.	....	(112 bid — asked)			
15½	5½	.	...	Mitchell, Robt.	160	6	6½	6½	6½
20	12½	80+40c	9½	Mod. Contain.	....	(— bid 18 asked)			
99½	95	5.50	5.8	Do. pref.	....	(— bid 93 asked)			
6	2	.	...	Monarch Knit.	....	(2½ bid — asked)			
65	60	7	...	Do. pref.	....	(68 bid 69 asked)			
81	60	4	5.7	Montreal Cot.	....	(40 bid 67 asked)			
120	107	7	6.3	Do. pref.	....	110½ bid 115 asked			
.25	.10	.	...	Mont. Is. Pr.	2	.10	.25	.25	.25
31½	25	1.50	5.7	Mont. L. & Pr.	1443	25½	27½	25	27½
50	46½	.	...	Do. Notes	28	46½	47	47	47
•28	21½	2	...	Montreal Loan.	....	(15 bid 21 asked)			
.85	.50	.	...	Mtl. Refr. & S.	25	.50	.85	.85	.85
6	6	1.25	...	Do. pref.	....	(6 bid — asked)			
45	40	3.20	7.8	Montreal Tele.	....	(— bid 41 asked)			
59½	40	6	15	Montreal Trams	63	40	40	40	40
48	34½	1.60+60c	6	Moore Corp.	488	35½	36½	35	36½
189	144	7	4.8	Do. pref. (A)	24	150	145½	144	144
282	210	7	3.3	Do. pref. (B)	3	270	210	210	210
.05	.05	.	...	Muirheads	....	(.05 bid .15 asked)			
1	1	.	...	Do. pref.	....	(— bid — asked)			
				N, O					
38	25	2	7.7	Nat. Breweries.	380	25	27	25½	25½
42	32	1.75	5.5	Do. pref.	2	33	32	32	32
8½	5	.	...	Nat. Grocers	100	5½	5½	5½	5½
26½	23	1.50	6.5	Do. pref.	15	23	23	23	23
10½	7	.	...	N. Sew. Pipe A.	500	7	7	7	7
69	34	2	5.4	Nat. Steel Car.	296	39½	39½	35½	35½
193	188	8	4.2	National Tr.	....	(— bid 190 asked)			
9½	9½	60c	...	Neon Prod.	....	(— bid — asked)			
32½	20	$1.35	..	Niag. W. Weav.	....	(17 bid 25 asked)			
6½	3½	.	...	Noorduyn Av.	....	(1 bid 3 asked)			
1.30	.60	.	...	North Star Oil.	100	1.05	.90	.90	.90
4½	3½	35c	10.8	Do. pref.	....	(3½ bid 3½ asked)			
93	92	6	6.5	N. S. L. & Pr.	....	(— bid — asked)			
107½	100	6	5.6	Do. pref.	14	106½	100	100	100
33½	20	1	4.9	Ogilvie Flour	330	21	21	20	21
162	146	7	4.8	Do. pref.	11	146	146	146	146
112	106	5	4.6	Ontario Loan	5	108	106	106	106
5½	4	.	...	Ont. Silknit	40	5½	5	5	5
35	25	.	...	Do. pref.	....	(— bid 25 asked)			
5	5	.	...	Do. Script	....	(5 bid 6 asked)			
12	8½	60c	6.5	Ont. Steel	25	9½	8½	8½	8½
115	110	7	6.1	Do. pref.	....	(100 bid 120 asked)			
4½	3	.	...	Orange Crush	....	(— bid 4½ asked)			
9½	7	60c	9.8	Do. pref.	....	(— bid 7½ asked)			
13½	6½	40c	...	Ott. Car Air	100	7	8½	8	8
11½	7½	1.20	12.6	Ottawa El. Rly.	....	(8½ bid — asked)			
16	10	1	8.3	Ott. L. H. & Pr.	55	12	10	10	10
103	90	5	5.6	Do. pref.	....	(— bid 100 asked)			
				P, Q, R					
19	18	.	...	Pacific Coyle	....	(15 bid — asked)			
111½	89½	5.50	6	Page Hersey	256	90	92	90	92
6	3½	.	...	Pantepec Oil	....	(2½ bid — asked)			
36	30	50c	...	Paton Mfg.	....	(20 bid — asked)			
115	115	7	6.1	Do. pref.	....	(— bid 115 asked)			
72	53½	3	5.6	Penmans	....	(— bid 70 asked)			
135	128½	6	4.7	Do. pref.	....	(— bid 128 asked)			
24	15½	1.50	9.7	Photo Eng.	55	19	16½	15½	15½
101	95	7	7.4	Porto Rico Pr. p	....	(95 bid 100½ asked)			
11½	5½	60c	10	Power Corp.	267	6	6	6	6
106½	89	6	6.7	Do. pref.	....	(90 bid 92 asked)			
47	42½	3	6.8	Do. 2nd pref.	....	(— bid 46 asked)			
12½	6	$50c	..	Pressed Metals.	200	6	7	6½	6½
24	9	.	...	Price Bros.	1081	11½	11½	10	10
80½	59½	5½+1.37½▲	...	Do. pref.	60	65	65	64	64
7½	4	40c	8.9	Prov. Transport	5	4½	4½	4½	4½
17½	13	1	7.5	Quebec Power	80	13½	13½	13½	13½
4½	4½	.	...	Que. Telephone	....	(4 bid — asked)			
30	30	2	6.7	Real Estate L'n.	....	(24 bid — asked)			
6	3	.	...	Regent Knit.	....	(3½ bid 4½ asked)			
17	15	40c	...	Do. pref.	....	(12 bid 15 asked)			
10	6	.	...	Reliance Grain.	....	(1 bid 4 asked)			
86	64	$3.25	...	Do. pref.	....	(— bid — asked)			
•10½	10½	80c	...	Remington R'd.	....	(— bid — asked)			
28	23	2	8.7	River S. Mill	25	25	23	23	23
3½	1½	.	...	Rogers Majest.	20	1½	2	2	2
19½	13	60c	4.6	Rolland Pap.	....	(— bid 13 asked)			
19½	12	60c	5	Do. Vot. Trust	240	12	12	12	12
102½	90½	6	6.1	Do. pref.	10	98	90½	90½	90½
190	150	8	5.3	Royal Bank	186	155	153	150	150
17½	15	20c	...	Russell Indust.	....	(14 bid 17 asked)			
190	145	7	4.8	Do. pref.	....	(— bid 165 asked)			
				S					
107½	99	5.50	5.5	Saguenay Pr. p.	....	(102 bid — asked)			
38	30	1+50c	4.7	Sangamo	15	32	32	32	32
5½	4½	.	...	Sarnia Br. (A)	....	(5 bid 6½ asked)			
2½	1½	.	...	Do., (B)	....	(— bid 2 asked)			
24½	16	90c	5.3	Shawinigan Pr.	638	16½	17½	16½	17½
15	7	.	...	Sher. Wms.	45	7	7	7	7
126	114	7+1.75▲	6	Do. pref.	2	115	114	114	114
6½	3½	.	...	Silverwoods	41	4	3½	3½	3½
7½	5	40+40c▲	7	Do. pref.	....	(5½ bid 5½ asked)			
9	7	60c	8.6	Simon & Son.	....	(— bid 7 asked)			
105	100	7	7	Do. pref.	....	(— bid 107 asked)			
21½	15	.	...	Simpson, A.	....	(— bid 15 asked)			
12½	5	.	...	Do. (B)	....	(— bid 5½ asked)			
105	79½	6.50+1▲	7.8	Do. pref.	36	84	90	83	90
130	126	6	4.8	Simpson, R., pf.	....	(—bid 135 asked)			
15	9½	80c	8.6	So. Can. Pr.	....	(10 bid — asked)			
112	92	6	6.5	Do. pref.	22	93½	93½	92	93½
5½	2	.	...	St. Law. Corp.	580	2½	2½	2½	2½
21	10½	20c▲	...	Do. (A)	340	12	12½	11½	12½
30	18	1+50	7.9	St. Law. Flour.	....	(19 bid — asked)			
125	120	7	5.8	Do. pref.	....	(— bid 130 asked)			
52½	20	.	...	St. Law. Pap. p.	100	25½	25	25	25
14	7½	$1.25	..	Stand. Chem.	....	(8 bid 10 asked)			
2	½	.	...	Stand. Clay	....	(— bid 2 asked)			
2.00	.40	.	...	St. Pav. & Mat.	300	.50	.50	.50	.50
6½	3½	$31½c	...	Do. pref.	25	4	3½	3½	3½
48	39	3	6.2	Stand. Steel, pf.	....	(— bid 48 asked)			
28½	22	60+60c	5.4	Stedman Bros.	....	(22 bid 25 asked)			
86½	62	1.75‡	5.9	Steel of Can.	452	65½	65	62½	62½
83	62	1.75	2.7	Do. pref.	188	65	65	65	65
4	3	.	...	Sterling Coal	....	(3 bid 3½ asked)			
•.20	.10	.	...	Stop & Shop.	....	(— bid 25 asked)			
12½	10	80c	8	Stuart, D.A., pf	....	(— bid 11 asked)			
3½	2½	.	...	Supersilk H.A.	....	(— bid 2½ asked)			
4½	4	.	...	Do. (B)	....	(4 bid — asked)			
82	78½	5	6.2	Do. pref.	....	(— bid 80 asked)			
34	31	1+50c	4.8	Sup. Pete. ord.	....	(32 bid 35 asked)			
•37½	35	1+50c	4	Do. com.	....	(32 bid — asked)			
				T, U, V					
12	8½	80c	9.1	Tamblyn	75	9	10	8½	8½
53	52½	2.50	4.8	Do. pref.	....	(52½ bid — asked)			
3	3	.	...	Thayers	....	(1½ bid 3 asked)			
36	28	3.50	11.7	Do. pref.	....	(— bid 30 asked)			
1.25	.20	.	...	Thrift Stores	250	1.00	1.00	1.00	1.00
12	6	.	...	Do. pref.	100	6	8	8	8
13½	11	60c	5.4	Tip Top Tailors	....	(— bid 10 asked)			
110	104	7	6.7	Do. pref.	6	105	106½	105	106½
3	2	.	...	Tooke Bros.	....	(— bid 2 asked)			
12	6	.	...	Do. pref.	25	6	6	6	6
32	16	1	5.3	Tor. Elevators	....	(18 bid 24 asked)			
49½	43	2.62½	5.8	Do. pref.	2	43	45	45	45
90	75	4	5.3	Tor. Gen. Tr.	....	(70 bid 77 asked)			
98	90½	5	5.5	Toronto Mtge.	....	(— bid 88 asked)			
160	150	7	4.7	Tuckett Tob. p.	....	(— bid 149 asked)			
2½	2	.	...	Twin City	10	2	2	2	2
28	28	.	...	Do. pref.	....	(— bid — asked)			
17	12	80+20c	7.7	Union Gas	156	12½	13	12½	13
13½	12	60+10c	5.2	Un. Amuse. A.	....	(— bid — asked)			
12½	11½	60+10c	6.1	Do. (B)	....	(— bid — asked)			
•1.05	.90	.	...	Un. Cigar-W.	....	(— bid — asked)			
.85	.65	.	...	United Distill.	....	(— bid .70 asked)			
42	30	3	9.4	United Fuel, pf.	75	31	32	30	30
10	3½	.	...	Do. B pref.	100	4	4	4	4
5½	2½	.	...	United Secs.	....	(— bid 5½ asked)			
6½	2½	.	...	United Steel	1245	3½	3½	3	3
4½	1½	.	...	Viau Bisc.	....	(2½ bid 3 asked)			
60	50	5	10	Do. pref.	....	(45 bid — asked)			
				W, Y, Z					
37	24	$1.38	...	Wabasso Cot.	....	(23 bid — asked)			
43½	29½	4	12.9	Walker-Good.	607	30½	31½	30	31
20½	16½	1	5.9	Do. pref.	413	16½	17	16½	17
1.25	.65	.	...	Walkerville Br.	....	(.60 bid .75 asked)			
120	120	7	5.8	W. Koot. Pr. pf.	10	..	120	120	120
5	1½	.	...	West. C. Flour.	50	2	1½	1½	1½
47	37	.	...	Do. pref.	....	(22 bid 29 asked)			
62	40	3	7.5	West. Grocers	....	(— bid 58 asked)			
110	103	7	6.6	Do. pref.	....	(112 bid 125 asked)			
•11	10½	50c	4.5	W'minster Pap.	....	(— bid — asked)			
15	9½	80c	8	Weston Ltd.	305	9½	10	9½	9½
99	76	5	5.9	Do. pref.	10	85	85	85	85
24½	16	1	6.2	Wilsils	100	16	16	16	16
2.63	1.00	.	...	Winnipeg El. A.	460	1.00	1.00	1.00	1.00
2.37	1.00	.	...	Do. (B)	508	1.10	1.15	1.15	1.15
12	5	.	...	Do. pref.	....	(— bid — asked)			
85	60	7	10	Wood, A. & J. p	....	(60 bid 90 asked)			
70	30	.	...	Woods Mfg., pf.	20	30	30	30	30
11	6	20c	...	York Knitting	....	(5 bid 6 asked)			
•100	100	7	7	Do. 1st pref.	....	(— bid — asked)			
13	8½	.	...	Zellers	....	(8½ bid 9½ asked)			
25	22	1.50	6.8	Do. pref.	35	24½	22	22	22

Quotations: • 1939. * 1938.
▲ On account of arrears.
b New York quotations.
‡ Plus extra of $2 paid Feb. 1, 1940. ■ Participating.
†Interim. $Paid or declared payable in 1940 to date.

Mining Stocks

Week Ending July 1, 1940

Par. Val.	Range High	1940 Low	Company	Sales	Close June 24 (or last)	High for week	Low for week	Close July 1
			A					
1	.01½	.00½	Afton	500	.00½	.00½	.00½	.00½
No	.38	.12	Aldermac	3,950	.13	.13½	.12	.13
1	.06½	.01½	Amm. Gold	1,000	.01½	.01½	.01½	.01½
No	3.00	1.50	Anglo-Huronian	1,457	1.75	1.60	1.50	1.50
No	.40	.35	Argus Interests	......	(.30 bid .50 asked)			
No	.01	.01	Arno	1,500	.01	.01	.01	.01
1	.17	.04	Arntfield	5,000	.05½	.05½	.04	.04
1	.07	.02	Ashley	......	(.01½ bid .... asked)			
1	.04½	.02	Astoria Quebec	......	(.02 bid .03 asked)			
1	2.68	.90	Aunor Gold	4,333	.98	1.05	.95	.95
			B					
1	.10½	.03	Bagamac	2,000	.04½	.03	.03	.03
1	.28	.05	Bankfield	1,866	.07	.07	.05	.07
No	.33	.08	Base Metals	7,400	.08	.09	.08	.08
1	.09½	.03	Bear Exploration	......	(.02 bid .04 asked)			
1	1.19	.80	Beattie Gold	1,900	.82	.83	.80	.80
1	.13	.03½	Beaufor	1,500	.04	.04	.03½	.03½
1	.52½	.11	Bidgood Kirk	56,250	.12½	.13	.11	.11
1	.14	.03	Big Missouri	1,000	.05½	.05½	.05½	.05½
1	.11½	.03½	Bobjo	1,000	.04½	.04½	.04½	.04½
1	.04½	.02½	Bouscadillac G.M.	......	(.01½ bid .04 asked)			
No	11.25	7.40	Bralorne	975	8.00	8.20	7.40	7.75
1	.06	.01½	Brazil Gold	500	.06	.01½	.01½	.01½
1	.01½	.01	Brett Trethewey	......	(.00½ bid .01 asked)			
1	.69	.28	Broulan Porc.	17,850	.36	.36	.33½	.33½
1	3.70	3.05	Buffalo Ankerite	870	3.35	3.30	3.05	3.05
No	.04½	.01½	Buffalo Can.	1,000	.01½	.01½	.01½	.01½
5	23.50	10.00	Bulolo Gold	275	10.00	12.00	12.00	12.00
No	.03½	.01	Bunker Hill	300	.01	.01	.01	.01
			C					
No	.90	.30	Can. Malartic	1,100	.30	.40	.33	.35
1	•.03½	.01	Capital Rouyn	......	(.... bid .01 asked)			
1	2.67	1.65	Cariboo Gold	700	1.70	1.65	1.65	1.65
1	.02½	.01	Cartier Malartic	500	.01	.01	.01	.01
1	.75	.45	Castle Trethewey	......	(.... bid .70 asked)			
1	.20	.06½	Cen. Cadillac	800	.07	.07	.06½	.06½
1	•.03	.02½	Cen. Manitoba	......	(.... bid .02½ asked)			
1	2.55	1.45	Cen. Patricia	1,050	1.46	1.55	1.45	1.52
1	.14	.05	Cen. Porcupine	......	(.04 bid .05 asked)			
1	.21	.11	Century Mining	......	(.... bid .15 asked)			
1	1.05	.41	Chesterville	3,800	.45	.47	.45	.47
No	.58	.18	Chromium	300	.20	.20	.20	.20
5	2.00	.50	Coast Copper	......	(.50 bid 1.00 asked)			
1	.78	.35	Cochenour Willans	......	(.30 bid .35 asked)			
5	1.65	1.30	Coniagas	......	(.... bid 1.50 asked)			
No	1.98	1.00	Coniaurum	3,000	1.04	1.02	1.00	1.00
5	49.00	28.50	Cons. Smelters	870	32.00	32.50	31.25	32.00
			D, E					
1	1.35	.60	Delnite	2,000	.90	.60	.60	.60
1	.08½	.03	Denison Nickel	2,500	.03	.03	.03	.03
No	29.50	16.00	Dome Mines	1,239	17.25	18.00	17.00	17.00
1	.04½	.02	Dorval Siscoe	......	(.01½ bid .02 asked)			
1	.03½	.01	Duparquet	......	(.01 bid .01½ asked)			
1	.10½	.03	Duquesne	1,000	.03	.03	.03	.03
1	4.10	1.95	East Malartic	11,700	2.23	2.30	2.10	2.20
1	1.25	.20	Eldorado	7,000	.25	.30	.20	.26
			F, G					
No	5.05	1.75	Falconbridge	1,575	2.10	2.10	1.90	1.90
1	.06½	.02	Federal	2,500	.02½	.02	.02	.02
1	.07	.02	Fernland	......	(.... bid .03 asked)			
No	.70	.19	Francoeur Gold	200	.20	.21	.20	.20
1	.10½	.02	Gillies Lake	2,000	.03½	.03½	.03½	.03½
1	.02½	.01	Glenora	1,000	.01½	.01½	.01	.01
No	.69	.25	God's Lake	3,400	.26	.28	.26	.26
1	.23	.08	Goldale	3,500	.09	.09	.08	.08
50c.	.26	.22	Gold Belt	......	(.15 bid .... asked)			
1	.26	.05	Gold Eagle	3,100	.08	.05	.05	.05
1	.22	.07½	Golden Gate	15,600	.08½	.09	.07½	.09
1	.01½	.00½	Goodfish	......	(.00½ bid .01 asked)			
1	.03½	.01	Graham Bosquet	......	(.00½ bid .... asked)			
No	.05½	.02½	Grandora	2,000	.04	.02½	.02½	.02½
1	.04	.02½	Grull Wihksne	......	(.01½ bid .04 asked)			
1	.64	.31	Gunnar Gold	2,300	.31½	.32	.32	.32
			H, I, J					
1	.03½	.00½	Halcrow Swayze	2,000	.00½	.00½	.00½	.00½
1	.03½	.01	Halliwell Gold	......	(.00½ bid .02 asked)			
1	8.00	4.50	Hallnor	......	(4.50 bid 5.00 asked)			
1	1.48	.54	Hard Rock	4,260	.57	.60	.55	.56
1	.10	.03	Harker	4,300	.03	.03	.03	.03
1	.57	.30	Hedley Mascot	......	(.30 May 23)			
5	15.00	9.50	Hollinger	1,789	10.50	10.50	9.75	9.90
1	.40½	.23	Howey Gold	300	.23	.24	.23	.23
No	34.00	19.50	Hudson Bay	1,782	21.75	22.00	19.75	21.00
1	.45	.17	Inspiration	......	(.12 bid .18 asked)			
1	*9.87	7.00	Inter. Mining	......	(.... bid .... asked)			
No	47.00	27.50	Int. Nickel	3,573	32.50	32.50	30.50	32.50
50c.	1.09	.80	Island Mountain	......	(.70 bid 1.00 asked)			
1	.05	.01½	Jacola	100	.02	.03	.03	.03
1	.27	.13	Jack Waite	......	(.16½ bid .... asked)			
1	.19	.03	Jellicoe	1,933	.03	.05	.04	.04
1	.04½	.00½	J. M. Cons. Gold	......	(.00½ bid .01½ asked)			
1	.08½	.02	Joliet Quebec	......	(.02 bid .... asked)			
			K, L					
1	2.75	1.20	Kerr Addison	2,550	1.59	1.65	1.58	1.58
1	.45	.35	Kerr Lake	......	(.27 bid 1.00 asked)			
1	.07	.04	Kirk. Gold Rand	......	(.03 bid .04 asked)			
1	.32	.11	Kirk. Hud. Bay	......	(.13½ bid .20 asked)			
1	1.54	.70	Kirkland Lake	4,955	.73	.75	.74	.75
1	.18	.08	Kirk. Townsite	......	(.06 bid .08 asked)			
1	32.00	15.50	Lake Shore	590	16.50	17.00	15.50	15.75
No	7.25	4.75	Lamaque Gold	138	5.00	5.00	5.00	5.00
1	.22½	.05	Lapa Cadillac	5,300	.06½	.06	.05	.05½
1	.05½	.01	Lebel Oro	500	.01½	.01½	.01½	.01½
1	.88	.41	Leitch Gold	6,100	.43	.45	.43	.45
No	3.40	1.71	Little Long Lac	1,140	1.92	1.90	1.85	1.90
			M					
1	4.80	2.25	Macassa	5,655	2.55	2.60	2.45	2.54
1	2.55	1.00	MacLeod Cockshutt	6,476	1.10	1.15	1.00	1.05
1	.62	.20	Madsen Red Lake	4,784	.24	.26	.23	.26
1	1.45	.54	Malartic Gold	10,950	.65	.70	.65	.65
No	.12	.07	Mandy	......	(.03 bid .09 asked)			
No	.01½	.00½	Man. & Eastern	......	(.00½ bid .00½ asked)			
1	.04½	.00½	Maralgo	......	(.01 bid .02 asked)			
5	58.00	37.50	McIntyre	1,228	40.00	39.50	37.50	38.00
1	1.47	.85	McKenzie R. L.	4,650	.93	.92	.86	.88
1	.15½	.04	McVittie Graham	500	.05½	.04	.04	.04
No	.58	.20	McWatters	200	.22½	.24	.21	.21
5	.39	.39	Mentor Exploration	......	(.... bid .49 asked)			
No	1.33	.40	Mining Corp.	1,500	.50	.48	.45	.45
1	.05	.05	Moffatt Hall	......	(.01½ bid .... asked)			
1	.93½	.40	Moneta	1,450	.43	.50	.41	.41
1	.08	.02	Morris Kirk	......	(.02 bid .02½ asked)			
1	.02½	.01	Murphy	500	.01	.01	.01	.01
			N, O					
1	.37½	.12	Naybob	3,500	.13	.14	.12	.13
No	.04½	.01	Newbec	1,500	.01	.01½	.01½	.01½
1	.09½	.06	New Golden Rose	......	(.06 bid .07 asked)			
5	1.40	.90	Nipissing	202	.90	.90	.90	.90
No	78.75	43.25	Noranda	3,276	47.00	47.00	43.25	43.75
No	.55	.27	Nor. Canada	......	(.25 bid .30 asked)			
1	.08½	.02½	Norgold	......	(.... bid .04 asked)			
No	.62	.15	Normetals	521	.26	.23	.15	.20
1	9.85	7.25	Northern Empire	......	(6.50 bid 7.25 asked)			
1	1.82	.50	O'Brien	3,210	.60	.60	.50	.50
1	.34	.11	Omega	800	.12	.12	.11	.12
No	.61	.20	Ore Plate	......	(.30 bid .... asked)			
1	.10	.05½	Osisko	......	(.... bid .06 asked)			
			P, Q, R					
No	2.35	.78	Pamour	3,350	.85	.82	.78	.81
1	.10½	.02	Pandora	10,500	.03½	.03½	.03	.03
1	2.65	1.55	Pato Cons. G.	475	1.55	1.70	1.60	1.60
1	.10	.02½	Partanen Mal.	......	(.02½ bid .... asked)			
1	.03	.00½	Pawnee Kirk.	......	(.00½ bid .00½ asked)			
1	.53	.20	Paymaster	5,350	.21	.21	.20	.20½
1	2.35	.90	Pend Oreille	2,600	1.40	1.35	1.31	1.31
1	2.12	1.01	Perron Gold	3,100	1.10	1.15	1.10	1.11
1	4.30	2.15	Pickle Crow	3,018	2.25	2.25	2.15	2.18
1	2.35	1.46	Pioneer Gold B.C.	1,550	1.65	1.60	1.46	1.46
1	14.50	13.00	Placer Devel.	......	(.... bid 11.00 asked)			
1	2.18	.65	Powell Rouyn	2,400	.75	.75	.65	.70
1	1.42	.75	Premier Gold	3,040	.80	.75	.75	.75
1	2.40	1.30	Preston E. Dome	12,690	1.51	1.58	1.38	1.39
No	.35	.23	Prospectors Air's	......	(.... bid 16.25 asked)			
1	.42	.25	Quebec Gold	......	(.28 May 17)			
No	.08	.04	Quemont	......	(.04 bid .... asked)			
No	.08½	.01	Red Crest	200	.04	.01	.01	.01
1	.57	.15	Reno Gold	......	(.... bid .19 asked)			
1	.26	.20	Reeves McDonald	......	(.26 June 7)			
1	.00½	.00½	Robb Montbray	......	(.... bid .01 asked)			
1	.06½	.02½	Roche Long Lac	1,000	.02½	.02½	.02½	.02½
			S, T, U, V, W, Y					
1	2.50	1.25	San Antonio	1,950	1.54	1.51	1.40	1.40
1	.15	.05	Sand River	1,500	.05½	.06	.05	.06
1	.57	.10	Senator Rouyn	2,500	.13	.15	.14	.14
1	.05½	.01	Shawkey	......	(.01½ bid .03 asked)			
50c.	1.24	.80	Sheep Creek	100	.80	.85	.85	.85
1	1.18	.50	Sherritt Gordon	9,273	.60	.60	.50	.52
1	8.75	4.00	Sigma Mines	936	4.50	5.15	4.50	5.00
1	.95	.60	Siscoe	6,695	.60	.63	.60	.62
1	.61	.20	Sladen Malartic	1,200	.23	.25	.23	.25
1	.07½	.02½	Slave Lake	5,000	.03	.03	.02½	.02½
1	.21	.08	St. Anthony	2,700	.08	.09	.08	.09
No	3.10	1.05	Steep Rock	6,540	1.18	1.19	1.08	1.09
No	.08½	.03	Straw Lake	5,000	.03	.03½	.03	.03½
1	.21	.09	Sturgeon River	2,000	.10	.10	.09	.09
No	2.05	.90	Sudbury Basin	200	.95	.95	.90	.95
1	.08½	.04	Sudbury Contact	......	(.... bid .05 asked)			
1	1.02	.45	Sullivan Cons.	6,500	.45	.53	.50	.50
1	3.45	1.90	Sylvanite	6,585	1.90	2.04	1.93	2.00
1	4.15	2.40	Teck Hughes	4,320	2.50	2.52	2.40	2.50
1	.08½	.02½	Temiskaming	1,500	.02½	.03	.02½	.03
1	1.90	1.00	Toburn Gold	400	1.07	1.07	1.00	1.00
1	.35	.09	Towagmac	700	.11	.10	.09	.09
1	1.12	.25½	Uchi Gold	1,100	.30	.30	.25½	.25½
..	97.00	65.00	Do., Bonds	......	(64.00 bid 80.50 asked)			
1	.97	.54	Upper Canada	7,179	.63	.68	.63	.65
No	4.35	1.75	Ventures	689	2.05	2.08	2.00	2.05
No	6.05	2.70	Waite Amulet	3,165	2.90	2.90	2.70	2.75
1	.16	.06	Wendigo	1,000	.06	.08	.08	.08
1	.03½	.01½	Wiltsey Coughlan	......	(.... bid .02 asked)			
1	.32	.08	Wood Cadillac	2,300	.09	.10	.08	.08
No	8.25	4.80	Wright-Hargreaves	2,923	5.00	5.00	4.85	4.95
No	.07	.04	Ymir Girl	......	(.05 bid .06½ asked)			

Oil Stocks

Par. Val.	Range High	1940 Low	Company	Sales	Close June 24 (or last)	High for week	Low for week	Close July 1
No	.06	.03	Acme Gas & Oil	2,600	.03	.03	.03	.03
1	.21	.05½	Alta. Pac. Cons.	232	.09	.07½	.05½	.07½
1	.22½	.10½	Ajax	1,500	.11	.11	.10½	.11
No	1.03	.40	Anglo Canadian	3,600	.47	.56	.46	.52
No	.07	.06	Anaconda	......	(.03 bid .... asked)			
No	.18	.06	Br. Dominion	......	(.... bid .08 asked)			
No	.19½	.06½	Brown Oil	2,500	.07	.08	.06½	.08
100	75.00	65.00	Do., pref.	......	(.... bid 82.00 asked)			
No	2.39	1.00	Calgary & Ed.	3,564	1.10	1.30	1.10	1.30
1	.47	.18	Calmont	1,910	.19	.23	.18	.23
No	.33	.15	Commoil	......	(.17 bid .25 asked)			
No	.32	.10	Common Pete	225	.16	.16	.10	.16
No	.55	.20	Dalhousie	700	.20	.21	.20	.20
No	.35	.12	Davies Pete	26,300	.14	.15	.12	.13½
No	.08	.03	East Crest	......	(.03½ bid .... asked)			
No	.26	.15	Extension Oil	5,000	.15½	.16½	.15½	.16½
25c.	.09	.05½	Firestone Pete	......	(.04½ bid .05½ asked)			
No	1.05	.30	Foothills	2,100	.32½	.40	.30	.40
25c.	.11	.06	Foundation Pete	600	.07	.06	.06	.06
No	.18	.17	Hargal	......	(.... bid .20 asked)			
No	.19½	.07	High Sarcee	500	.07	.07½	.07½	.07½
No	3.10	1.30	Home	4,325	1.42	1.53	1.37	1.50
1	.07½	.01½	Homestead O. & G.	1,000	.02½	.02½	.02½	.02½
No	.14½	.05	McD. Segur	......	(.07 bid .08 asked)			
1	.30	.16	Model	......	(.13 bid .... asked)			
25c.	.09	.04½	Monarch Royalties	......	(.... bid .07 asked)			
25c.	.21½	.04	National Pete	......	(.04 bid .05 asked)			
1	.07½	.02	Nordon	1,000	.02	.03½	.03½	.03½
No	.02½	.01½	Oil Selections	......	(.00½ bid .01½ asked)			
No	1.35	.60	Okalta	1,850	.60	.70	.65	.70
No	.06½	.02½	Pacalta	1,500	.03	.03	.02½	.03
1	.40	.26	Pacific Pete	......	(.... bid .25 asked)			
No.	.35	.25	Petrol Oil & Gas	1,100	.25	.25	.25	.25
25c.	.22	.12	Prairie Royalties	......	(.14 bid .... asked)			
No	36.50	17.63	Royalite	420	18.00	18.50	18.00	18.25
No	.62½	.20	South West Pete.	......	(.15 bid .30 asked)			
No	.07½	.02½	South End	1,000	.03½	.02½	.02½	.02½
5	2.25	.90	Texas Can.	500	1.00	1.00	1.00	1.00
No	.08½	.03	United Oils	......	(.04 bid .05 asked)			
1	.17½	.08	Vermilata	......	(.... bid .11 asked)			
1	.60	.43	Vulcan	......	(.... bid .36 asked)			
No	.04	.02	West Flank	......	(.01½ bid .... asked)			

Vancouver Stocks

Par. Val.	Range High	1940 Low	Company	Sales	Close June 24 (or last)	High for week	Low for week	Close July 1
1	.14	.06	Big Missouri	......	(.05 bid .07 asked)			
No	11.10	7.60	Bralorne	6,235	8.00	8.10	7.60	7.65
1	.01½	.01½	Bridge River Cons.	......	(.... bid .01 asked)			
1	2.70	1.65	Cariboo Gold	550	1.70	1.70	1.65	1.70
No	.01½	.01	Dentonia	......	(.... bid .01½ asked)			
No	.02	.00½	Fairview Amal.	1,000	.00½	.00½	.00½	.00½
1	.20	.10	George Copper	......	(.10 May 21)			
1	.05	.03½	Golconda	......	(.03½ May 22)			
50c.	.28	.15	Gold Belt	500	.15	.15½	.15½	.15½
50c.	.16	.10	Grandview	6,500	.11	.10½	.10½	.10½
1	.04½	.01½	Grull Wihksne	2,000	.02	.02	.02	.02
1	.57	.30	Hedley Mascot	2,850	.30	.33	.30	.32
No	.00½	.00½	Home Gold	......	(.00½ bid .00½ asked)			
1	.01	.00½	Indian Mines	......	(.... bid .01 asked)			
50c.	1.10	.72	Island Mountain	100	.72	.75	.75	.75
1	.38	.30	Inter'l Coal	......	(.... bid .35 asked)			
50c.	.85	.25	Kootenay Belle	1,050	.25	.40	.32	.32
1	.25	.17	McGillivray Creek	......	(.25 June 1)			
No	.05½	.01	Minto Mines	......	(.01 bid .... asked)			
50c.	.04½	.01½	Nicola	3,000	.01½	.01½	.01½	.01½
1	.13	.07½	Pacific Nickel	......	(.08 May 3)			
1	2.35	1.05	Pend Oreille	600	1.45	1.38	1.35	1.35
1	2.50	1.45	Pioneer Gold	1,050	1.58	1.58	1.45	1.50
50c.	.02½	.01½	Porter Idaho	......	(.02 bid .02½ asked)			
No	.01½	.00½	Premier Border	......	(.00½ bid .00½ asked)			
1	1.42	.75	Premier Gold	1,900	.78	.78	.75	.78
No	.94	.39	Privateer Mines	22,600	.44	.44	.39	.39
1	.03½	.01	Quatsino Copper	......	(.01½ bid .... asked)			
1	.14½	.04	Relief Arlington	......	(.... bid .04½ asked)			
1	.30	.15	Reeves McDonald	......	(.... bid .25 asked)			
1	.57	.11	Reno Gold	300	.11	.13	.12	.12
1	.06½	.04	Sally Mines	......	(.05 May 15)			
50c.	.03½	.02	Salmon Gold	2,000	.03	.02	.02	.02
50c.	1.22	.78	Sheep Creek	3,100	.85	.85	.78	.78
1	1.31	.75	Silbak Premier	......	(.40 bid .... asked(			
No	.02	.00½	Silvercrest	300	.00½	.01	.01	.01
1	.05	.05	Sunloch	......	(.05 May 11)			
50c.	.11½	.05	Surf Inlet	500	.05	.05	.05	.05
No	.03	.02	Taylor Bridge	......	(.02 bid .... asked)			
No	.08	.02	Vidette Gold	......	(.02 bid .... asked)			
20c.	.01½	.01	Wellington	......	(.... bid .01½ asked)			
50c.	.00½	.00½	Wesko	......	(.00½ Apr. 16)			
1	.04	.01	Whitewater	4,000	.01½	.01½	.01½	.01½
No	.07½	.04	Ymir Yankee Girl	......	(.04½ bid .07 asked)			

Oil Quotations

Par. Val.	Range High	1940 Low	Company	Sales	Close June 24 (or last)	High for week	Low for week	Close July 1
1	.22	.08	Alta. Pac. Cons.	200	.15	.11	.11	.11
1	.00½	.00½	Amalgamated	......	(.00½ bid .00½ asked)			
No	1.02	.45	Anglo Canadian	9,400	.50	.55	.50	.52
No	.07½	.03	Anaconda	2,700	.03	.05	.04	.04½
No	.13	.08½	Brit. Dominion	......	(.10 May 6)			
No	.18½	.06	Brown Oil	1,000	.06½	.07½	.07½	.07½
No	2.33	1.00	Calgary & Ed.	5,780	1.05	1.32	1.12	1.32
1	.46	.18	Calmont	1,600	.19	.24	.19	.24
No	.32	.17	Commoil	300	.20	.17	.17	.17
1	.29	.16	Commonwealth	500	.19	.16	.16	.16
No	.50	.20	Dalhousie	......	(.20 June 3)			
No	.31	.15	Davies Pete	......	(.15 June 5)			
No	.08	.02½	East Crest	3,312	.05	.03	.02½	.03
No	.26	.15	Extension	1,600	.15	.16	.15½	.15½
25c.	.08½	.05	Firestone	......	(.05 bid .... asked)			
No	1.05	.38	Foothills	500	.38	.45	.45	.45
25c.	.10	.10	Foundation Pete	......	(.10 Apr. 9)			
No	.12	.08½	Four Star	2,000	.09	.10	.09½	.10
No	.17	.07½	High Sarcee	......	(.07 bid .... asked)			
No	3.10	1.31	Home Oil	6,200	1.51	1.55	1.42	1.52
No	.03	.01½	Madison	1,000	.01½	.01½	.01½	.01½
No	.04½	.00½	Marjon Oil	53,000	.00½	.01½	.00½	.01½
No	.15	.06	McD. Segur Ex.	1,300	.06	.08½	.08	.08½
No	.08	.05	McLeod	......	(.05 Mar. 4)			
No	.07½	.03	Mercury	1,000	.03½	.04	.04	.04
No	.07½	.04½	Mill City Oil	......	(.04½ bid .... asked)			
1	.31	.12	Model	......	(.14 bid .20 asked)			
25c.	.08½	.06	Monarch Royal	......	(.05½ bid .... asked)			
25c.	.21	.05	National Pete	......	(.05 June 14)			
1	.05	.04	Nordon	......	(.04 Apr. 20)			
No	1.31	.58	Okalta	500	.58	.72	.70	.70
No	.05½	.04	Pacalta Oil	......	(.03 bid .03½ asked)			
1	.42	.20	Pacific Petroleums	1,100	.25	.20	.20	.20
25c.	.25	.14	Prairie Royal	1,000	.15	.14	.14	.14
No	.10½	.06	Royal Crest	3,000	.07	.07½	.07	.07½
No	36.00	15.00	Royalite	45	18.50	19.00	17.50	19.00
No	.19½	.12½	Royal Canadian	8,100	.14	.15½	.13½	.15½
No	.07½	.03	South End	......	(.03½ May 16)			
No	.60	.21	Southwest Pete	......	(.20 bid .25 asked)			
1	.06	.05	Spooner	......	(.02 bid .... asked)			
25c.	.38	.18½	Sunset Oil	300	.18½	.19	.19	.19
No	.09	.03½	United	......	(.04½ bid .... asked)			
No	.07	.04	Vanalta	500	.04½	.04	.04	.04
1	.63	.23	Vulcan	200	.23	.25	.25	.25
No	.05	.03	West Flank	......	(.05 May 11)			

*1939 Quotations.

Winnipeg Stocks

(Transactions from June 24 to June 29)

	Sales	High for period	Low for period	Close June 29
Ore Grande	1,400	.01½	.01½	.01½
Shenango	1,000	.02	.02	.02
United Grain Growers	4	6.00	6.00	6.00
Wings, vot. trust	200	.18	.18	.18
Wingold	5,000	.04½	.03½	.03¾

Stocks Not Traded in During Week*

	Bid	Asked		Bid	Asked
Beaver Fire	75	..	Home Invest.	13	..
Beav. Lumber, c.	..	4	Nor. Mtge. pt. pd.	1¼	..
Beav. Lumber, p.	100	102	Nor. Can. Mtg., p	5	..
Can. Airways	1	..	Nor. Trusts	..	6
Can. Indemnity	120	..	Traders Bldg.	..	54
Cres. Cream., p.	8	..	West. Brew.	1.40	1.60
Dom. Envelope, c	..	7½	West. Grain, p.	..	7
Federal Grain, c.	..	1⅛	West. Steel	6	8
Federal Grain, p.	..	26			

*Stocks more active on other exchanges not included.

Volume of Stock Sales

	Montreal Markets Indust.	Mines	Toronto Markets Ind. & Mines	Vancouver Markets Ind. & Mines
July 2	7,700	4,100	63,000	......
July 1	—Holiday—			
June 29	5,100	4,300	58,000	23,932
June 28	11,300	6,300	107,000	46,100
June 27	16,300	3,600	115,000	53,885
June 26	15,300	6,300	99,000	20,945

Government Bonds

July 2, 1940 (Supplied by Investment Dealers' Assoc. of Canada)

Dominion of Canada Bonds

%	Due	Bid	Ask.	Approx. Yld.
4½	Sept. '40	100½	100¾	.75
1	Mar. '41	99½	100	1.00
5	Nov. '41	104½	105	1.32
1½	May '42	99½	100½	1.36
2	June '42	100½	101½	1.39
3	Oct. '42	102½	103½	1.55
2½	June '43	101½	102½	1.75
5	Oct. '43	108½	109½	2.08
2	June '44	99½	100½	1.93
a2½	Jan. '44	80	82½‡	7.93
4½	Oct. '44	108½	109½	2.25
2½	Nov. '44	101½	101½	2.05
a2½	Aug. '45	78½	80½‡	7.17
4	Oct. '45	108½	109	b2.12
4½	Feb. '46	109½	110	2.59
3½	June '49	100½	101½	b3.00
3½	Oct. '49	101	101½	b3.06
3½	Nov. '51	99½	100½	b3.22
3½	Feb. '52	99½	100½	b3.21
a5	May '52	85½	88½‡	6.39
4	Oct. '52	103½	104½	b3.30
3	June '55	95½	96½	3.51
4½	Nov. '56	106½	106½	b3.30
4½	Nov. '57	106½	107½	b3.37
3	June '58	95	95½	3.32
4½	Nov. '58	107	107½	b3.43
4½	Nov. '59	107½	108½	b3.45
a4	Oct. '60	76	77‡	5.96
a3½	Jan. '61	69½	70½‡	5.68
3½	June '66	98½	99	3.31
a3e	Jan. '67	67½	68½‡	5.23
a3e	Nov. '68	67	68½‡	5.11
†3	Perpet'l.	87½	88	3.41
	Dominion Guarant'd Bonds			
	Can. Nat'l. Railways:			
2	Feb. '43	100	100½	1.71
2½	Jan. '46	98½	99½	2.39
3	May '44	102½	103½	2.05
3	Dec. '50	96½	97½	3.28
3	Feb. '53	95½	96½	3.31
3	Jan. '59	94	95	3.36
*4½	Sept. '51	110½	111½	3.27
*4½	Feb. '56	111½	112½	3.46

%	Due	Bid	Ask.	Approx. Yld.
4½	July '57	112	113	3.48
*4½	June '55	113½	114½	3.48
5	Feb. '54	114½	115½	3.58
*5	July '69	111½	112½	b3.82
*5	Oct. '69	115½	116½	b3.35
*5	Feb. '70	115½	116½	b3.38
	Grand Trunk Pac. Rly.:			
3	Jan. '62	94½	95½	3.31
	Provincial Gov't. Bonds			
	New Brunswick:			
3	Oct. '51	81	85	4.70
3½	Aug. '49	83	87	5.06
3½	June '56	81	85	4.86
c4	Nov. '47	93	96	4.64
c4½	Apr. '61	93	96	4.80
c5	Jan. '60	98	101	4.92
	Nova Scotia:			
3	Jan. '52	89	91	3.98
3½	June '56	89	91	4.02
3½	Nov. '50	93	95	4.09
c4½	Sept. '52	100½	102	b4.17
c4½	Nov. '60	101	103	4.28
c5	Mar. '60	106	109	4.32
	Ontario:			
2½	May '45	98½	100	2.50
3	Apr. '48	96½	97½	3.40
3	Nov. '50	95½	96½	3.40
3½	Nov. '51	97½	98½	3.45
3½	May '55	96½	97½	3.44
*4	June '62	101	103	3.77
4½	June '50	107	108	3.54
*4½	Jan. '62	107½	109½	3.85
5	Oct. '48	109	110	3.60
*5	Dec. '60	114½	116½	3.83
5½	July '46	109½	110½	3.54
	Ont. Hydro Commission:			
3	Aug. '48	96½	97½	3.39
3½	Feb. '53	97½	98½	3.42
3½	Apr. '47	99½	100½	3.37
	Prince Edward Island:			
3	Oct. '45	97	99	3.20
	Quebec:			
3	Nov. '47	92½	94	3.94
3½	Mar. '48	93½	95	4.01

%	Due	Bid	Ask.	Approx. Yld.
3½	Mar. '54	89½	91	4.16
3½	Mar. '59	89	90	4.27
4	Mar. '52	97	99	4.10
4½	Aug. '58	99	101	4.17
4½	Jan. '63	101	103	4.29
	Alberta:			
4	Dec. '54	48½	52½	d
4½	Oct. '51	58	..	d
c4½	Oct. '56	50½	54½	d
*5	Oct. '59	52	56	d
c5½	Apr. '52	59	63	d
6	Mar. '47	61	65	d
	British Columbia:			
c4	Dec. '57	86	90	4.88
*4½	Jan. '51	90	94	5.25
c4½	Oct. '53	90	94	5.12
c5	Apr. '54	96½	100½	4.95
5½	Feb. '45	96½	100½	5.37
6	Feb. '47	98	102	5.63
	Manitoba:			
c4	Dec. '37	84	88	5.04
c4½	Dec. '56	86	90	5.42
*5	Dec. '59	88	92	5.68
5½	Oct. '55	89	93	6.21
6	Apr. '47	96	100	6.00
	Saskatchewan:			
4	Sept. '34	70	74	6.85
4	Nov. '60	67	71	6.60
c4½	Oct. '51	82	86	6.23
c4½	Mar. '60	70	74	6.92
5	Aug. '58	70½	74½	7.62
5½	Oct. '32	73½	79½	8.15
6	Mar. '32	79½	83½	8.18

*Payable Can., N.Y. & £. b-Calculated to call date giving lowest possible yield. c-Payable Can. & N.Y. a-Payable N.Y. †-Callable on or after Sept. 15, 1966. d-Traded flat. Interest being paid at 50% of coupon rate, minimum rate 2%. e-Callable at a premium. ‡-N.Y. funds.

Unlisted Stocks

July 2, 1940 (Furnished by A. J. Pattison Jr. & Co., Toronto)

Industrials:	Bid	Ask.
Acme Farm. D.	20	25
Andian National	27	29
Anglo C. Tel., A	7	8
Atlas Steel	12½	..
Barrymore, pfd.	24	..
Blue T. Brew. B	4½	5½
B. C. Pulp, c.	9	11½
Do., pfd.	40	50
B. C. Sugar	73	77
Burns & Co., A	4½	5½
Do., B	2	3
Can. G'drich, c.	1½	..
C. I. L., A c.	185	195
Can. Ing. Rand	63	66
Can. Tube, 1st p	..	72
Chase, A. W., p.	25	27
Claude Neon, p.	6	8
Colonial Steam.	12	15
Cope. Flour unit	15	20
Dom. Manuf., p.	60	65
Dunlop T. p $25	21	23
Easy Wash. p $10	8	9½
Goderich Elev.	7½	8½
Guard. Realty, p	15	20
Guelph Carp., p	99	103
Do., com.	15	18
Gurney Fdy., p.	1½	1½
Hayes Steel, c.	29	31½
Hi'land Dairy, p	55	65
Inglis, John, c.	3	5½
Ingram & Bell	20	23
Kingston Sh. un.	..	24
Loblaw Inc., c.	10	11
Morrison Br. un	6	7½
M'row Screw, p.	95	..
Do., com.	7	..

	Bid	Ask.
Neilson, Wm., c	7½	..
Do., pfd.	99	..
N. B. Tel., c.	10½	12
N. Meth. Ldy., p	..	58
Office Spec., pf.	64	..
Paterson Wm. p	100	..
Prov. Paper, pfd	95	98
Rob'tson P. L. p	92	..
Rob. Cons. Cone	5	7
Ruddy, E. L., p.	25	28
Seal O Sac (San.)	1	2
Stand. Fuel, p.	50	57½
Stedman, pf. 50	54	59
Tor. Carpet, c.	24	..
Do., pfd.	53	..
Un. F. Co-op.	2	3½
U. Steel, A pf.	19	21
Viceroy p & rts.	25	..
Trusts & Loan Stocks:		
Brit. Mtge.	150	154
Capital Trust	30	33
Com. Fin., c.	2½	3½
Grey & B. Tr. $50	42½	47
Guaranty Trust	95	98
Guelph & C. $50	51	55
Lambton Loan	32	35
London & West.	36	40
Sherbrooke Tr.	120	..
Sterling Trust	55	..
Traders Fin. A c	9	11½
Do., A pfd.	76	83
Trusts & Guar.	24	26
Victoria Trust	109	115
Insurance Stocks:		
Brit. Amer.	54	..
Canada Life	430	400

	Bid	Ask.
Confed. 30% pd.	143	150
Crown, fully pd.	240	290
Dominion Fire	100	114
D. of Can. Gen.	131	..
Empire, 25% pd.	6	7½
Excelsior 36% pd	58	62
Federal 25% pd.	51½	..
Great-West Life	225	245
Imperial Life	280	305
Manufac. Life	220	243
Monarch 20% pd	24	27
Sov. L. 25% pd.	12	15
Sun Life	225	275
Tor. General	5½	5½
Wellington Fire	58	..
Western Assce.	40	45
Do., pref.	40	45
Theatre Stocks:		
Allens, Beach, p	50	58
Do. London, p	50	54½
Do. St. Cath. p	50	55
Do., Tor., p.	30	37
Mansf. Theat., p	28	33
Para., Kitch., p.	51	56
Do. Oshawa, c	10	11½
Investment Trust Shares:		
Can. Investors	4	6
Deb. & Sec., pf.	60	..
Sec's. Hold., pf.	18	..
United Corp., A	16	19
Do., B	5	6
Power Issues:		
Can. W. N. Gas	24	..
Do., pfd.	95	98
Gt. Lakes Pr., p	99	..
Mtl. Is. Pwr., p.	15	30
Nor. Ont. Pr., p.	92	98

Unlisted Mines

Toronto, July 2, 1940

	Bid	Ask
Acordia	.28	.30
Addington	.01½	.02
Albany R	.06	.08
Amal Kir	.03½	.04½
Anoki	.06	.08
Aquarius	..	.16
Arjon	.01	.02
Armistice	.00½	.01½
Argosy	.02½	.03½
Area	.02½	.03½
Arno	..	.01
Athona (Old)	.01	.02
(New)	.01½	.02½
Barb Lar	.01½	.02½
Benkor	..	.10
Beresford	.01½	.02½
Bilmac	.01½	.02½
Buff Bear	.01	.02
Calder Bo	.01	.02
Central M	.02	.03
Cheminis	.02½	.03½
Coin Lake	.02	.03
Cons Chib	.01½	.03
Crescent	.00½	.01
Dayton	.01	.02
Demp Cd	.00½	.01½
Desants n	.08	.10

	Bid	Ask
Dona Pat	.01½	.02
Douglas	..	.05
E Lacoma	.00½	.01
Elmos	.06	.08
Franco	.25	.33
Frankv'w	.15	.18
Galore	.01½	.02½
Gate Pat	.00½	.01½
Gilbec	.00½	.01
Gordon Lb	.01	.01½
Hiawatha	.05	.08
Hoyle nw	.11	.13
Hugh PaP	.03	.04
Hutch Lke	.01	.01½
Jolliette	..	.03
Keora	..	.02
Kenricia	.02½	.03½
Kewaga'a	..	.01
Kiena	.04	.06
Kirk Gate	.01	.02
Lacoma	.00½	.01½
Lake Duf	.11	.13
Lake Gen	..	.08
Lw Pete	.10	.15
Mag Con	.50	.55
Magwell	.03	.05
Magnet L	.09	.12
Martin Br.	.02½	.03½

	Bid	Ask.
Margaret	.02	.05
Mata Can	.02	.04
Mof Hal n	.01½	.02
Mooshla	..	.01½
Mosher	.02½	.04
Nat Mal	.20	.25
Negus	.40	.45
Nickel O	.45	.85
Norbeau	.12	.17
Norlake	.01	.02
North Am Mol'm	..	.18
Norwin	.10	.12
Oklend	.03½	.04½
O'Leary	.01½	.02½
Opemiska	.02	.04
Oriole	.01	.01½
Orpit	.01	.02
Ossian	..	.01½
Pacsack	.05	.07
Pascalis	.12	.17
Pontiac R	.20	.33
Phoenix	..	.01½
Pontiac R (Old)	.02	.04
Pelangio	.00½	.01½
Polaris	.14	.18
Porc Lake	.03	.05

	Bid	Ask.
Proprie'y	.90	1.05
Presdor	.01½	.02
Queb Man	.03½	.04½
Rahn Lake	.03	.04
Rand Ml	.06½	.08
Red Lake	.01½	.02½
Rhyolite	..	.01½
Sachigo	1.00	1.50
Senore	.08	.11
Shenango	.01½	.02½
Sheldon	.01	.02½
Siscoe Ex	.01½	.02½
Skynner	.02½	.03
Smelt Gd	.00½	.00½
Spooner	.03	.04
Sunbeam	.03	.05
Springer	.02	.03
Stadacona	.05	.07
Thomson	.06	.09
Thomp Cd	.02	.03
Treaty P	..	.23
Union Min	.02	.04
Wasu	.03	.05
West Red	.01½	.02½
Winoga cum rts	.02	.03
Woco	.03½	.05
Y David'n	.18	.19

Montreal, July 2, 1940

	Bid	Ask
Abbeville	..	.01½
Beaucourt	..	.09
Big Master	.01½	.02½
Brown B	..	.02
Cad Exp	.03	.05
Chibmac	..	.02
C Pandora	..	.02
Cournor	.05	.07

	Bid	Ask
Cr Shores	.03	.05
Cuniptau	.02	.03
Dubisson	..	.12
Fontana	..	.03
L Rowan	.02	.03
Landor	..	.10
LL Lagoon	..	.03
Leroy M	..	.01

	Bid	Ask
Melba	..	.02
Obalski	.03	.04
Pan Can	.03	.05
Plains P	..	.30
Que Eur	..	.01
Ribago N	.01	..
Rose G N	..	.06
Routh Cad	.01	.02

	Bid	Ask
Rouyn R	..	.02
Scott Chib	.01½	.02½
Shawm'que	..	.04
South M	..	.07
Sun Bear	..	.01½
Tiblem't Is	..	.02
Valdor M	..	.55
Westwd C	.01	.01½

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

July 2, 1940

Public Utility Issues:	Int. Rate %	Due	Bid July 2	Asked	Bid June 25
†Assoc. Tel. & T.	5½	'55	65½	69½	66
B. C. Power	4½	'60	91	95	91½
B. C. Tel.	4½	'61	98	102	98½
†Calgary Pwr.	5	'60	99½	103½	99½
Do.	5	'64	98½	102½	98½
†Can. Nor. Pwr.	5	'53	101½	105½	100½
*Dom. Gas & El.	6½	'45	93	97	93
Gatineau Pwr.	5	'49	99	102	98
Do., B.	3½	'69	90	94	89½
Gt. Lakes Pwr.	4½	'36	93	97	93
*Int. Hydro-E.	6	'44	65	69	64½
▲Inter. Power	6	'55	100	104	100
Macl'n-Que. Pr.	4	'59	86	90	88
Mtl. L. H. & P.	3½	'38	95	99	94½
Do.	3½	'73	90	94	90
†Mtl. Tramways	5	'41	88½	92½	89
†Do.	5	'55	54	58	57
Nat. Lt. & Pwr.	6	'49	93½	97½	93
N. S. Lt. Pr.	4	'57	94½	98½	94
Ottawa H. & P.	4	'57	98½	102½	98½
Ottawa V. Pwr.	5	'59	99	103	99
†Power Corp.	4½	'59	93½	97½	93½
Quebec Pwr.	4	'62	93	97	93
*Saguenay P., A.	4½	'66	101	105	101
▲Do., B.	4½	'66	98½	102½	98½
Shaw. W. & P.	4	'61	93	97	93
Union Gas	4½	'50	99½	103½	99½
United Secs.	5½	'52	55	59	56
Wpg. El., ser. A	4	'65	63½	67½	64
Industrial and Realty Issues:					
†Abitibi P. & P.	5	'53	49½	53½	48
Acadia Sugar	4½	'55	97½	101½	97½
†Alta. Pa. Grain	6	'46	89	93	89
Atlantic Sugar	4	'51	97	101	97
†B. C. P. & Pap.	6	'50	77	81	77
*Brown Co.	5½	'46	39	43	36½
Burns & Co.	5	'58	49	53	49
Canada Bread	6	'41	100½	104½	101
Canada Cement	4½	'51	99	103	100½
Can. Paper	4½	'52	98	102	98
Can. Steamship	5	'57	88	90	87½
Can. Canners	4	'51	99½	103½	99½
*Can. Int. Paper	6	'49	93	97	94
C. P. R.	3½	'51	79	83	79
Do.	4	'49	82	86	82
Do.	4½	'44	91	95	91
Do.	6	'42	101	105	101
†Consol. Paper	5½	'61	49½	53½	50
Dom. Coal	4½	'52	96½	100½	96
Dom. Stl. & Co.	6½	'55	98½	102½	98½
Dom. Tar	4½	'51	96	100	97
†Donnacona P.	4½	'56	65½	69½	65½
Famous Players	4½	'51	93	97	94
†Federal Grain	6	'49	90	94	92
†Fraser Cos.	6	'50	88	92	86
Gen. Stl. Wares	4½	'52	91½	95½	91½
*Great L. Paper	5	'55	81½	85½	80½
†Gypsum, Lime	5½	'48	81½	85½	81
Ham. By-Pr. C.	5	'55	97½	101½	97½
Inter.-City Bak.	5½	'48	100	104	100
*Inter. P., Nfld.	4½	'68	88	92	90
Lake St. J. P.	5½	'61	82	86	82
Maple Leaf M.	3	'38	59½	63½	59½
Massey-Harris	4½	'54	77½	81½	78½
McColl-Fron.	4½	'49	95½	99½	97
McCormick's	4	'32	89½	93½	89½
*M. & O. Paper	6	'45	35½	39½	34
Nat. Grocers	4	'47	99	103	99
N. S. Stl. & Co.	3½	'63	74	78	74½
Price Bros.	5	'57	89	93	89
*Prov. Paper	5½	'47	102	106	102
Reliance Grain	4½	'52	93	97	93
†Restigouche Co.	6	'48	88	92	89
Rolland Paper	4½	'51	99	103	99
Simpson's Ltd.	4½	'51	93	97	94½
Smith, Howard	4½	'51	98	102	99
†Steel of Can.	6	'40	110	112	110
*United Gas	5½	'48	101	105	101
United Gr. Grs.	5	'48	90	94	90
†Western Grain	6	'49	33½	39½	35

*Payable in Canada, or U. S.
†Payable in Can., U. S., or U. K.
▲Payable in Can. or U. K.
‡Payable in Canada only.
"Payable in U. S. only.

Mining Dividends

		Close July 1	Yield %
Beattie Gold	‡8c	.80	..
Bralorne	80c+40c	7.75	*15.5
Bulolo Gold	$3	12.00	25
Can. Malartic	‡4c	.35	..
Cariboo Gold	16c+4c	1.65	*12.7
Central Patricia	16c+6c	1.52	*14.4
Coniagas	‡25c	1.30	..
Coniaurum	16c	1.00	16
Cons. Smelters	$1+$1	32.00	*6.2
Delnite	†3c	.60	..
Dome Mines	$2	18.00	11.1
East Malartic	†10c	2.20	..
God's Lake	2½c	.26	..
Gold Belt	†2c	.15½	..
Gunnar Gold	6c	.32	18.7
Hallnor	60c	4.50	13.3
Hard Rock	‡9c	.56	..
Hedley Mascot	‡4c	.32	..
Hollinger	65c+45c	9.90	*11.1
Howey Gold	‡2c	.23	..
Hudson Bay	$1.75	21.00	8.3
Inter. Nickel, com.	$2	32.50	6.2
Island Mountain	‡8c	.75	..
Kerr Addison	5c	1.58	..
Kerr Lake	15c	.35	..
Kirkland Lake	10c+1c	.75	*14.7
Kootenay Belle	‡10c	.32	..
Lamaque Gold	40c+10c	5.00	*10
Lake Shore	$2	15.75	12.7
Leitch	8c	.45	17.8
Little Long Lac	30c	1.90	15.7
Macassa	32c	2.54	12.6
Madsen R. Lake	3c	.26	..
McGillivray Coal	3c	.25	..
McKenzie Red L.	12c+2c	.88	*15.9
McWatters	10c	.21	..
Moneta	12c	.41	..
McIntyre Porc.	$2+$1	38.00	*7.9
MacLeod Cockshutt	†10c	1.05	..
Nipissing	15c	.90	16.6
Noranda	$4	43.75	9.2
North Empire	‡40c	7.25	..
O'Brien Gold	‡5c	.50	..
Pamour Porc.	12c	.81	14.8
Pato Cons.	20c	1.60	12.4
Paymaster	2c	.20½	..
Perron Gold	16c+4c	1.11	*18
Pioneer, B.C.	40c	1.50	26.6
Pickle Crow	40c	2.18	18.3
Placer Develop.	$1.20	13.25	9
Premier	12c	.75	16
Preston E. Dome	‡15c	1.39	..
Privateer Mine	20c	.39	..
Powell Rouyn	20c	.70	28.5
Quebec Gold	‡2c	.28	..
San Antonio	14c+3c	1.40	*12.1
Sheep Creek	16c+2c	.85	*22.4
Sherritt Gordon	†5c	.52	..
Silbak Prem.	16c	.73	22.6
Siscoe	12c+1c	.63	*20.9
Sturgeon River	†2c	.09	..
Sudbury Basin	‡2½c	.95	..
Sullivan Cons.	‡6c	.50	..
Sylvanite Gold	20c+3c	2.00	*12.5
Teck-Hughes	40c+3c	2.50	*17.2
Toburn	8c+8c	1.00	*16
Ventures	15c	2.05	7.3
Waite Amulet	†10c	2.75	..
Wright-Harg.	40c+30c	4.95	*14.2

*Yield including bonus. †Initial.
‡Paid or payable in 1940 to date.

Municipal Bonds

July 2, 1940

†Halifax	5	1961	102.00	107.00	4.48
Hamilton	5	1950	106.05	108.05	4.00
Montreal	5	1945	90.00	93.00	6.77
Ottawa	4½	1945	103.50	105.50	3.30
†Quebec	5	1959	102.00	106.00	4.53
Saint John	5	1950	98.00	102.00	4.75
†Toronto	4½	1955	105.75	107.75	3.80
†Vancouver	5	1950	90.00	94.00	5.83
Winnipeg	5	1944	95.00	99.00	5.30

† Payable Can. and N. Y.

Investment Trusts

	Bid	Asked
Affiliated Fund	2.24	2.46
Can. Amer. Trust	2.90	3.40
Can. Inv. Fund	3.00	3.25
All Can. Trustee	8.25	9.09
Grouped Income	....	[illegible]
Trans-Canada Shs.	3.40	[illegible]

Annual Meetings

1940	Company	Place
July 9	Associated Breweries*	Calgary
July 15	French & For. Investors*	Montreal
July 30	Remington Rand	New York

*Special general.

Dividends Declared

	This payment	Date payable	Date of record
B. C. Tele., pfd.	$1.50	July 1	June 15
Do., 2nd pf.	$1.50	Aug. 1	July 17
B.C. El. P. & G., p.	$1.50	July 2	June 20
B. C. Elec. Rly., p.	2½%	July 15	July 3
Bralorne Mines	20c	July 15	June 29
Do., extra	10c	July 15	June 29
Brant. Cordage, p.	32½c	July 15	June 20
B. C. Power, A	50c	July 15	June 29
Bell Telephone	$2	July 15	June 22
Biltmore Hats	15c	July 15	June 28
Bathurst Power, A	25c	Aug. 1	July 17
Beatty Bros., pfd.	$1.50	Aug. 1	July 15
Can. Bronze	37½c	Aug. 1	July 19
Do., pref.	$1.25	Aug. 1	July 19
Can. Fairbanks, pf.	$1.50	July 15	June 29
Can. Gen. Inv.	12½c	July 15	June 29
Can. Indus., A, B	$1.75	July 31	June 29
Do., pref.	$1.75	July 15	June 29
Can. Light & Pr.	50c	July 15	June 26
Cons. Smelters	50c	July 15	June 22
Do., extra	50c	July 15	June 22
Cel. of Amer., c. ex.	*	Aug. 15	June 14
Can. Bk. of Com.	$2	Aug. 1	June 29
Can. Converters	50c	Aug. 15	July 31
Coniagas Mines	12½c	Aug. 8	June 29
Can. Wallpaper, A, B	$1	July 12	July 2
Can Nor. Pwr.	30c	July 25	June 29
Do., pref.	$1.75	July 15	June 29
Cosmos Imp., pfd.	$1.25	July 15	June 29
Com. Alcohols, pf.	10c	July 15	June 29
Dominion Bank	$2.50	Aug. 1	July 20
Dominion Tar, p.	$1.37½	Aug. 1	July 12
Dom. Oilcloth	30c	July 31	July 15
Do., extra	10c	July 31	July 15
Dom. Textile, pref.	$1.75	July 15	June 29
Dome Mines	†50c	July 20	June 29
East. Steel, pf.	25c	July 1	June 15
Excelsior Life	•4%	July 2	June 29
East. Theatres, p.	$3.50	July 31	June 29
East. Twp. Tel.	25c	July 15	June 29
Federated Pete.	1¼c	July 23	July 13
Foundation Co.	25c	July 20	June 29
Grey & B. Trust	2%	July 2	June 20
Do., extra	½%	July 2	June 20
Guardian Realty, p.	50c	July 15	June 29
Goulds Pumps, p.	$1	July 25	July 15
Gt. L. Power, p.	$1.75	July 15	June 29
Guar. of N. Amer.	$1.50	July 15	June 29
Do., extra	$2.50	July 15	June 29
Gordon & Belyea, pref.	$1.50	July 2	June 27
Do., 2nd pref.	$1.50	July 2	June 27
Guaranty Trust	$2.50	July 15	June 29
Gt. W. Saddlery, p.	75c	July 20	July 2
Hollinger Cons.	5c	July 15	June 29
Do., extra	5c	July 15	June 29
H. Smith Pap., p.	$1.50	July 15	June 29
Inter. Nickel, pf.	†$1.75	Aug. 1	July 2
Invest. Found., p.	75c	July 15	June 29
Do., arrears	25c	July 15	June 29
Imperial Bank	$2.50	Aug. 1	June 29
Int. Metal, p. & A pf.	$1.50	Aug. 1	July 15
Inter. Milling, p.	†$1.25	July 15	June 29
Inter. Util., pf.	†87½c	Aug. 1	July 22
Inter. Bronze	37½c	July 15	July 5
Do., pref.	37½c	July 15	July 5
Kootenay Belle	2c	July 22	July 15
Kerr Addison	5c	Aug. 1	July 15
Lambton Loan	$1	July 2	June 15
Mtl. Telegraph	♦65c	July 15	June 29
Montreal Tram.	$1.50	July 15	July 4
Montreal L. & Pr.	38c	July 31	June 29
McColl-Front., pf.	$1.50	July 15	June 29
McIntyre Porc.	†50c	Sept. 3	Aug. 1
Moneta Porc.	3c	July 15	June 29
Maritime Tel.	17½c	July 15	June 20
Do., pref.	17½c	July 15	June 20
Nat. Steel Car	50c	July 15	June 29
Nat. Biscuit	†40c	July 15	June 14
Do.	†40c	Oct. 15	Sept. 10
Do., pref.	†$1.75	Aug. 31	Aug. 16
Nor. Ont. Pwr.	33c	July 25	June 29
Do., pref.	$1.50	July 25	June 29
N. B. Tele.	12½c	July 15	June 30
Penmans	75c	Aug. 15	Aug. 5
Do., pref.	$1.50	Aug. 1	July 22
Preston E. Dome	5c	July 15	June 29
Power Corp., pref.	$1.50	July 15	June 29
Do., 2nd pref.	75c	July 15	June 29
Premier Gold	3c	July 15	June 22
Rolland Paper	15c	Aug. 15	Aug. 5
Do., pref.	$1.50	Sept. 2	Aug. 15
Regent Knit., pf.	40c	Aug. 1	July 15
Saguenay Pr., p.	$1.37½	Aug. 1	July 15
Sigma Mines	‡●30c	July 27	July 15
Sherritt Gordon	‡5c	July 8	June 8
South. Can. Pr.	20c	Aug. 15	July 31
Do., pref.	$1.50	July 15	June 20
Sheep Creek G.	4c	July 15	June 29
Do., extra	1c	July 15	June 29
Silbak Premier	4c	July 25	July 5
Simpsons, pref.	$1.62½	Aug. 1	July 17
Spud Valley G.	‡2c	July 10	June 29
Stand. Chemical	75c	July 15	June 15
St. Law. Corp., A p	▲20c	July 15	July 2
St. Law. Flour	25c	Aug. 1	July 20
Do., bonus	50c	Aug. 1	July 20
Do., pref.	$1.75	Aug. 1	July 20
Steel of Can.	43¾c	Aug. 1	July 5
Do., pref.	43¾c	Aug. 1	July 5
Toburn Gold	2c	Aug. 22	July 22
Do., extra	2c	Aug. 22	July 22
Tuckett Tob., pf.	$1.75	July 15	June 29
Waite Amulet	‡10c	July 15	June 29
Western Grocers	75c	July 15	June 20
Do., pref.	$1.75	July 15	June 20
Wood, A. & J., pf.	$1.75	Aug. 1	July 15
Weston, Geo., pfd.	$1.25	Aug. 1	July 15
Waterloo Trust	$2.50	July 2	June 29
Wilsil	25c	Oct. 1	Sept. 14
Zellers, pref.	37½c	Aug. 1	July 15

†Payable in U.S. funds. ‡Initial.

*One share for each 40 shares held.

▲On arrears.

♦After corp. inc. tax of 18%.

●Subject to approval by Foreign Exchange Control Board.

•Increased to 36% paid along with this dividend.

DIVIDEND NOTICES

Penmans Limited

Dividend Notice

NOTICE is hereby given that the following Dividends have been declared for the quarter ending the 31st day of July, 1940.

On the Preferred Stock, one and one-half per cent (1½%), payable on the 1st day of August to Shareholders of record of the 22nd day of July, 1940.

On the Common Stock, seventy-five cents (75c) per share, payable on the 15th day of August to Shareholders of record of the 5th day of August, 1940.

By Order of the Board.

C. B. ROBINSON,
Secretary-Treasurer.

Montreal,
June 26, 1940.

Canadian Bronze Company, Limited

DIVIDEND NOTICE.

THE quarterly Dividend of 1¼%, on the PREFERRED STOCK of CANADIAN BRONZE COMPANY, LIMITED, has been declared payable the 1st day of August, 1940, to Stockholders of record as of the 19th day of July, 1940.

Also a quarterly Dividend of Thirty - seven and one - half (37½c) Cents per Share has been declared on the present outstanding COMMON STOCK of CANADIAN BRONZE COMPANY, LIMITED, for the three months ending July 31st, 1940. Payable the 1st day of August, 1940, to Stockholders of record as of the 19th day of July, 1940.

By Order of the Board,

W. C. PAQUETTE,
Secretary.

Montreal, P.Q.,
June 28th, 1940.

BURNS & CO.
A B & Bonds
Bought Sold Quoted
A. J. Pattison, Jr. & Co.
Royal Bank Bldg., Toronto
EL. 5181

Dividend Payments in July Show $3.6 Millions Gain

Dividends scheduled for payment by Canadian Companies in July this year, are estimated by The Financial Post at $27.1 millions, a gain of $3.6 millions over July of last year. This brings the gain for the first seven months of 1940 to $4.3 millions compared with the same period of 1939.

A feature of the July payments this year is the large number of extras being disbursed. July will see the following companies paying extras:

- Bralorne, 10 cents.
- Canada Packers, $1.
- Cariboo Gold, 2 cents.
- Consolidated Mining & Smelting, 50 cents.
- Dominion Oilcloth, 10 cents.
- Fernie Brewing, 15 cents.
- Grey & Bruce Trust, ½%.
- Goderich Elevator, 15 cents.
- Guarantee Co. of N. A., $2.50.
- Harding Carpets, 5 cents.
- Hollinger, 5 cents.
- Lamaque, 10 cents.
- Modern Containers, 10 cents.
- Montreal City & District, $1.
- Sheep Creek Gold, 1 cent.
- Wright-Hargreaves, 5 cents.

Cutting Arrears

Five companies are making payments on accumulated arrears including Hamilton Cottons, Investment Foundation, Price Bros., Sherwin Williams and Silverwood Dairies. Sigma Mines is making a special dividend of 30 cents a share. Canadian Breweries has increased the rate of payments on its preference from 50 to 75 cents. Intercolonial Coal has raised its rate from $2 to $3.

A participating dividend of 5 cents a share is being paid on the first and second preference shares of Canadian Canners. Foundation Co. has resumed payments with 25 cents a share, first payment since 50 cents was paid in June, 1938. Honey Dew, Sheritt Gordon, Spud Valley Gold and Waite Amulet are making initial dividend disbursements.

Kootenay Belle has decreased its regular rate from 4 to 2 cents a share. Toronto Mortgage has cut its payment from $1.50 a share to $1.25.

	1940 $	1939 $
January	22,938,309	20,670,579
February	6,779,319	7,002,808
March	28,740,412	26,233,492
April	23,455,295	20,895,644
May	7,927,144	6,892,927
June	58,508,850	64,924,477
July	27,155,897	23,543,271
Total	175,505,226	170,163,198

Summary of July Payments

	1940 $	1939 $
Dividends	27,155,897	23,543,271
Bond interest	31,578,000	31,837,000
Total	58,733,897	55,380,271

Dividend Payments

Company	Rate $	Date	Amount $
Acme Glove, pfd.	3.25s	2	22,356
Agnew Surpass, pfd.	1.75q	2	15,333
Alta. Wood Pres., p.	1.75q	2	3,843
Algoma Steel, pfd.	1.25	1	27,518
Amer. Cyan., A, B	†.15q	2	392,755
Do., pref.	†.12½q	1	58,516
Assoc. Breweries, p.	1.75q	1	14,242
Bk. of N. Scotia	3q	2	360,000
Beatty Bros., 2nd pf.	3.50s	2	23,786
Bell Telephone	2q	15	1,627,596
Belding Cort.	1q	2	7,495
Do., pref.	1.75q	2	15,142
Biltmore Hats	.15q	15	12,000
Bralorne Mines	.20q	15	249,400
Do., extra	.10	15	124,700
Brant. Cordage, p.	.32½q	15	12,417
Brazilian Tr., pfd.	1.50q	2	5,901
Brit. Amer. Oil	.25q	2	693,160
B. C. Elec. P. & G., p.	1.50q	2	75,000
B. C. Telephone, 1st pf.	1.50q	1	15,000
B. C. Power, A	.50q	15	500,000
B. C. Elec. Rly., p.	2½%s	15	174,600
Brit. Mtge. Trust	4s	2	40,000
Brockville Trust	.62½q	2	6,250
Building Prod.	.17½q	2	84,592
Burlington Steel	.15q	2	21,000
Can. Bread, pref.	1.25q	1	15,625
Do., B pref.	.62½q	1	15,625
Canada Bud	.20	5	30,000
Can. Foundries, A	.37½	2	14,227
Canada Life	5q	2	50,000
Can. Nor. Pwr.	.30q	25	120,000
Do., pref.	1.75q	15	96,250
Canada Packers	.75q	2	150,000
Do., extra	1	2	200,000
Can. Perm. Mtge.	2q	2	140,000
Canada Trust	5s	2	50,000
Can. Breweries, pf.	.75q	2	122,571
Can. Canners	.12½	2	17,223
Do., 1st pref.	.25q	2	47,719
Do, participating	.05	2	9,543
Do., 2nd pref.	.15q	2	54,559
Do., participating	.05	2	18,186
Can. Cottons	1q	2	27,155
Do., pref.	1.50q	2	54,922
Can. Fairbanks, pf.	1.50q	15	17,517
Can. Fire Ins.	2s	2	40,000
Can. For. Inv., pfd.	2q	1	18,904
Can. Gen. Elec.	2q	1	377,690
Can. Gen. Invest.	.12½q	15	75,073
Can. Indemnity	3s	2	15,000
Can. Industries, A, B	1.75q	31	1,212,842
Do., pref.	1.75q	15	81,375
Can. Light & Pr.	.50s	15	16,624
Canadian Oil, pfd.	2q	1	40,000
Can. Wallpaper, A, B	1a	12	129,246
Can. Westinghouse	.37½q	2	204,750
Can. Wire. Box, A	.37½q	2	19,261
Cariboo Gold	.04q	2	53,332
Do., extra	.02	2	26,666
Carnation, pref.	†1.25q	1	304,799
Do., com.	†.50	1	36,732
Celanese of Amer.	†.50	1	512,812
Do., prior pref.	†1.75q	1	288,431
Central Can. Loan	2q	2	50,000
Chartered Trust	1q	2	10,000
Com. Alcohols, pf.	.10q	15	5,000
Cons. Bakeries	.25q	2	79,610
Cons. Smelters	.50s	15	1,636,858
Do., extra	.50	15	1,636,858
Consumers' Gas	2.50q	2	363,880
Cosmos Imp., pref.	1.25q	15	5,380
Debent. & Sec., pfd.	2.50	2	6,607
Dome Mines	†.50q	20	973,334
Dominion Coal., pf.	.38q	2	87,219
Dom. Foundries, c.	.25q	2	88,237
Dominion Glass	1.25q	2	53,125
Do., pref.	1.75q	2	45,500
Dom. Oilcloth	.30q	31	210,000
Do., extra	.10	31	70,000
Dom. Textile	1.25q	2	337,500
Do., pref.	1.75q	15	33,960
East. Can. Savings	1.50q	1	11,250
Eastern Steel, pf.	.25q	1	4,500
East. Theatres, pfd.	3.50s	31	17,500
Eastern Trust	2q	2	20,000
East. Township Tel., c.	.25	15	2,638
Excelsior Life	4%	2	6,800
Fanny Farmer	†.37½q	2	140,572
Federated Pete.	.01¼	23	18,461
Fernie Brew., A	.60a	2	19,651
Do., extra	.15	2	4,912
Foundation Co.	.25	20	21,150
General Trust, pfd.	1.50q	2	16,500
Gatineau Pwr., pfd.	1.25q	1	152,450
Do., 5½% pref.	1.32q	1	48,300
Goderich Elev.	.25s	2	21,001
Do., extra	.15	2	12,600
Goodyear Tire	.63q	2	162,073
Do., pref.	.62½q	2	74,830
Gordon & Belyea, p.	1.50q	2	1,983
Do., 2nd pref.	1.50q	2	126
Gt. Lakes Pap., A, B, p.	.25	2	50,000
Gould Pumps, pf.	†1	25	7,475
Gt. Lakes Power, p.	1.75q	15	13,125
Gt. West Life	3.75q	2	37,500
Gt. West Saddlery, p.	.75	20	5,244
Greening Wire	.15q	2	28,500
Grey & Br. Trust	2%s	2	10,894
Do., extra	½%	2	2,723
Guar. of N. Amer.	1.50q	15	9,138
Do., extra	2.50	15	15,230
Guardian Realty, p.	.50q	15	5,000
Guaranty Trust	2.50s	15	6,250
Guelph & Ont. Inv.	1.50s	15	28,956
Guelph Trust	1.25q	1	7,562
Halifax Fire	.50s	2	100,000
Hamilton Cotton, p.	.50q	2	9,242
Do., arrears	.25	2	4,621
Harding Carpets	.10s	2	17,352
Do., extra	.05	2	8,676
Hinde & Dauch	.12½q	2	37,491
Hollinger Cons.	.05	15	246,000
Do., extra	.05	15	246,000
Honey Dew	‡.50	2	9,797
H. Smith Pap., p.	1.50q	15	93,774
Howey Gold	.05	2	100,000
Hudson's Bay, pfd.	2½%s	1	170,500
Huron & E. Mtge.	1%q	2	50,000
Imperial Life	3.75q	2	37,500
Intercol. Coal	3s	2	30,000
Do., pref.	3s	2	7,940
Inter. Milling, pf.	†1.25q	15	71,681
Inter. Power, pf.	1.50q	2	120,000
Internat. Coal	.01½	2	45,000
Inter. Bronze	.37½	15	37,500
Do., pref.	.37½	15	37,500
Invest. Found., pf.	.75q	15	22,177
Do., arrears	.25	15	7,392
Jam. Pub. Service	.17q	2	22,950
Do., pref.	1.75q	2	13,125
Kootenay Belle	.02	22	13,504
Lamaque Gold	.10q	1	300,000
Do., extra	.10	1	300,000
Lambton Loan	1s	2	15,795
Landed Banking	1q	2	10,000
Lang, J. A.	.17½q	2	17,500
Maritime Tel.	.17½q	15	68,504
Do., pref.	.17½q	15	26,250
McColl-Fron., pf.	1.50q	15	117,741
McManus Pete., p.	.30s	2	2,953
McGillivray Coal	.01½	2	40,244
Midland Loan	.40s	2	14,400
Mitchell, J. S., pf.	1.75q	2	4,778
Mod. Containers	.20q	1	5,000
Do., extra	.10	1	2,500
Do., pref.	1.37½q	1	4,125
Moneta Porcupine	.03q	15	76,315
Mtl. C. & D. Sav.	3q	2	60,000
Do., extra	1	2	20,000
Mtl. L. H. & Pr.	.38q	31	1,705,828
Montreal Trams.	1.50q	15	105,000
Montreal Telegraph	*.65q	15	32,500
Moore Corp.	†.40q	2	159,672
Do., pref., A, B	†1.75q	2	62,486
Nat. Breweries	.50q	2	360,686
Do., pref.	.44q	2	48,840
National Grocers, p.	.37½q	1	56,250
Nat. Steel Car	.50q	15	87,750
National Trust	2q	2	60,000
N. B. Telephone	.12½q	15	79,491
Niag. Wire Weav.	.50q	■	57,500
North Star Oil, p.	.08¾q	2	17,500
Nor. Ont. Power	.33q	25	79,211
Do., pref.	1.50q	25	37,474
N. S. Light & Pr., ord.	1.50q	1	51,784
Ogilvie Flour	.25q	2	150,000
Ontario Loan	1.25q	2	50,000
Ottawa Elec. Rly.	.30q	2	10,559
Ottawa L. H. & Pr.	.25q	1	35,000
Do., pref.	1.25q	1	21,250
Page Hersey	1.25q	2	217,840
Pioneer Gold	.10q	2	175,175
Porto Rico Pwr., p.	1.75q	1	17,500
Power Corp., pfd.	1.50q	15	75,000
Do., 2nd pref.	.75q	15	75,000
Premier Gold	.03q	15	150,000
Preston E. Dome	.05q	15	150,000
Price Bros., pfd.	1.37½q	1	86,409
Do., arrears	1.37½	1	86,409
Prov. Paper, pref.	1.75q	2	61,250
Real Est. Loan	1s	2	5,000
Remington Rand	†.20q	1	316,978
Do., pref.	†1.12½q	1	208,047
Riverside Silk, A	.50q	2	15,000
St. John Drydock, p.	1.37½q	1	4,840
St. Law. Corp., A, p.	.20	15	59,614
Secs. Holding, pf.	.65	2	11,964
Sec. Std. Rylts., p.	.01	2	25,035
Sheep Creek G.	.04q	15	75,000
Do., extra	.01	15	18,750
Sherritt Gordon	‡.05	8	293,720
Sher.-Williams, p.	1.75q	2	60,550
Do., arrears	1.75	2	60,550
Sigma Mines	•.30	27	300,000
Silbak Premier	*.04	25	100,000
Silverwoods, p.	‡.20	2	29,000
South. Can. Pwr., pf.	1.50q	15	106,333
Spud Valley Gold	‡.02	10	42,000
Stand. Chemical	.75	15	27,957
Standard Steel, p.	.75q	1	7,342
Standard Fuel, p.	1q	1	11,860
Stedman Bros.	.15q	3	13,500
Do., pref.	.75q	3	4,500
Sterling Trusts	1.50s	2	12,000
Sullivan Cons.	.03	2	120,000
Sun Life Assur.	3.75q	1	75,000
Supersilk K., pref.	2.50s	2	12,307
Supertest-Pet., ord. c.	.50s	2	55,000
Do., B pref.	.75s	2	6,000
Tamblyn	.20q	2	22,400
Do., pref.	.62½	2	3,750
Teck Hughes G.	.10q	1	480,714
Tip Top Tailors	.15q	2	18,000
Do., pref.	1.75q	2	17,717
Tor. Gen. Trusts	1q	2	30,000
Toronto Mortgage	1.25q	2	24,662
Tuckett Tob., pfd.	1.75q	15	35,000
United Bond Sh.	.15q	15	3,953
United Fuel, A p.	.75q	2	67,500
Viau, pref.	1.25q	2	11,825
Wabasso Cotton	.50q	2	34,951
Waterloo Trust	2.50s	2	25,000
Waite Amulet	‡.10	15	330,000
West Koot. Pr., p.	1.75q	2	8,750
Western Assur., pf.	1.20s	2	18,000
Western Grocers	.75q	15	12,706
Do., pref.	1.75q	15	20,899
Weston, Geo., c.	.20q	1	80,884
Wilsil	.25q	1	33,925
Wr.-Hargreaves	†.10q	2	550,000
Do., extra	†.05	2	275,000
Total			27,155,897

q—Quarterly. s—Semi-annually. †U. S. funds. ‡Initial. ▲Extra. *Less corp. income tax. •Special. *Subject to approval by Foreign Exchange Control Board. ■Payable date changed from July 2 to June 29.

DIVIDEND NOTICES

UNDER THE MANAGEMENT OF
POWER CORPORATION OF CANADA
LIMITED

Canada Northern Power Corporation, Limited

The Board of Directors has declared this day the following dividends:

7% Cumulative Preferred Stock

No. 62, quarterly, $1.75 per share, payable July 15th, 1940.

No Par Value Common Stock

No. 44, quarterly 30c. per share, payable July 25th, 1940.

to holders of record at the close of business June 29th, 1940.

L. C. HASKELL, F.C.I.S.,
Secretary.

May 28th, 1940.

The Dominion Bank

Dividend No. 231

Notice is hereby given that a dividend of two and one-half per cent upon the paid-up Capital Stock of this Institution has been declared for the quarter ending 31st July, 1940. The dividend will be payable at the Head Office of the Bank and its Branches on and after Thursday, the 1st day of August, 1940, to shareholders of record of the 20th July, 1940.

By Order of the Board.

ROBERT RAE,
General Manager.

Toronto, 14th June, 1940.

The Canadian Bank of Commerce

Dividend No. 214

Notice is hereby given that a dividend of two per cent in Canadian funds on the paid-up capital stock of this Bank has been declared for the quarter ending 31st July, 1940 and that the same will be payable at the Bank and its Branches on and after Thursday, 1st August next, to shareholders of record at the close of business on the 29th June, 1940. The Transfer Books will not be closed.

By Order of the Board,

A. E. ARSCOTT,
General Manager.

Toronto, 7th June, 1940.

ZELLER'S LIMITED

Notice is hereby given that the Directors of Zeller's Limited have declared the regular quarterly Dividend of one and one-half (1½) per cent (37½ cents) on the Preferred Shares, payable August 1st, 1940, to Shareholders of Record July 15th, 1940.

By Order of the Board,

T. E. McDERMOTT,
Treasurer.

N. B. To Reconsider Tax on Tobacco

Staff Writer, The Financial Post

MONTREAL. — Possibility that New Brunswick may see fit to chance its tobacco tax is considered likely in view of the new Federal taxes.

During the closing stages of the Provincial Legislature several weeks ago, the Provincial Government passed a tobacco tax which was to come into effect about July 1, but the date was never announced officially.

The question of the Provincial tax will be reconsidered by the Government in the near future in the light of the new Federal taxes.

The Provincial tax had been figured upon as one of the measures designed to help New Brunswick balance its budget.

Crop Condition Reported Good

Western Harvest Prospect Was Made Encouraging by June Rains

From Our Own Correspondent

WINNIPEG.—The western Canadian crop has entered July in good condition, a traditional situation. Normally the crop is at the peak of its prospects at this time of year, and damage begins to show up from the first of July on.

June rains have, on the whole, brought the crop along well, although a week or so ago large areas in Saskatchewan were commencing to go back on account of the need of moisture. Subsequent rainfall has temporarily corrected the situation, and good crops in the area in question are possible if July weather is somewhat more favorable than normal with continued rainfall and lack of excessive heat or drying winds.

In most seasons June rains provide more moisture than the crop uses up during that month. As growth increases, and as the crop moves toward maturity in July, it normally pumps much more moisture out of the ground than currently falls. Reserves of moisture in the ground enable the crop to stand a prolonged period of heat and dryness. Where such reserves are lacking setback can rapidly occur.

Grasshopper damage in southwestern Saskatchewan and southeastern Alberta has been very severe, although so far in an area quite restricted compared with conditions which have prevailed in earlier years. Wide spaces have been completely denuded of crops, and in others the stand has been severely thinned. Intensive poisoning campaigns are in progress, and may prevent the menace from spreading.

New Books . . .

Canada's Grain Elevators

PRAIRIE SENTINELS. By Cecil Lamont. Published by the North-West Line Elevators Association and distributed by member companies of the organization.

This illustrated booklet of approximately 65 pages describes the vital part played in handling Canadian grain crops by the line elevators.

There is a historical description of the wheat trade with special reference to the West. The early trials and tribulations of the grain growers in getting distributing and marketing machinery are described.

In the foreword there is quoted Commissioner James Guthrie Scott, in the report of the Turgeon Royal Grain Enquiry Commission 1923-25, as follows:

> "I cannot close without expressing my admiration for the wonderful machinery which has been created for the handling of this traffic, working smoothly, without friction or dispute. At every railway station where grain is grown to any extent, there are two, three, even up to six and seven, country elevators, (Prairie Sentinels) competing for the farmer's grain. If he does not sell, he has the option to store, or to send it to the large terminal elevators at Fort William, where there is similar competition. So he should get the best price the market offers, and is protected by Government Inspection as to the quality of his grain, and by a competent, highly trained staff of government officials."

Functions of the Board of Grain Commissioners, country and terminal elevators operations, a brief summary of the United Kingdom market and wheat growing in competitive countries are included in this thoroughly attractive and readable booklet.

Commodities

War developments continue to obscure the outlook for commodity prices. On the one hand is the belief that a speedy end of hostilities would bring lower prices by restoring normal shipping facilities. On the other hand it is felt that if the war should be long drawn out, prices would probably work higher.

During the week buyers were cautious, refusing to make any heavy commitments until the future was clearer. Accordingly most of the weekly spot indices were lower.

COMMODITY PRICES

	Latest week	Previous week	Same week last yr.
Cattle	$9.35	$9.00	$7.50
Hogs	8.90	8.90	10.15
Copper, lb.	.11½	.11½	.10
Cotton, lb.	.1073	.1102	.0975
Rubber, lb.	.2150	.2312	.1643
Sugar, raw, lb.	.0275	.0273	.0290
Silk, lb.	2.68	2.73½	2.51
Wheat, Man. (bu.)	71⅜	.71	.61¼
Coffee, lb.	.05¼	.05¼	.05⅛
Hides	.11½	.11½	.11
Weekly Indices			
Canada (D.B.S.)	81.5	81.8	73.3
Do., Wood, Gundy	65.3	65.6	53.7
U. S. Labor	77.1	77.4	75.5
Dow Jones (future)	51.82	52.80	49.64
Fishers'	82.3	83.0	78.9
Monthly Indices			
Canada (D.B.S.):			
Retail (May)	86.0	85.7	83.1
W'sale (May)	82.1	83.1	73.7
U. S. (Apr.)	78.6	78.4	76.2
Gt. Brit. (Mar.)	129.4	128.5	96.6

Note: The base of indices is that 1926 equals 100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle — Steers, good, over 1,050 lb., top price, Toronto. Copper-electrolytic, New York. Silk—Crack db., 13-15 New York. Sugar — 96 degrees centrifugal c/f New York. Wheat—No. 1 Man. North., Ft. W.-Pt. A. basis. Hides—No. 1 packer light.

St. Lawrence Flour Will Pay an Extra

From Our Own Correspondent

MONTREAL. — St. Lawrence Flour Mills has declared a regular dividend of 25 cents a share, together with a bonus of 50 cents a share on the common stock, payable Aug. 1 to shareholders of record July 20. A special dividend of 50 cents a share, in addition to the regular 25 cents, was paid last October.

Fleet Aircraft Awards Extension Contract

From Our Own Correspondent

MONTREAL.—Fleet Aircraft of Canada Ltd. has awarded to the Redfern Construction Co. a general contract for the construction of an aircraft assembling plant at Fort Erie.

The structural steel sub-contract has been awarded to the Hamilton Bridge Co.

Week in Wheat

Preparing Delivery On Big British Order

Futures Converted to Cash Wheat — Export Buying Still Upset by Diversion of Italian Ordered Grain to Britain

From Our Own Correspondent

WINNIPEG.—In spite of the stagnation in the wheat futures market at Winnipeg, with prices resting on the pegged basis, a fair amount of business in cash wheat has been going on. This covers both the buying of Canadian millers, and transactions for export. Presumably the latter are for the British Purchasing Agency which bought 50 million bushels of futures from the Canadian Wheat Board a short time ago and is now presumably converting these into cash wheat.

Recorded exports from Canada for the past two or three weeks have continued on the small side. Diversion of Argentine wheat, formerly intended for both Italy and Spain, to British ports has probably lessened immediate needs for Canadian grain in Great Britain.

Shipments of wheat down the lakes have continued in good volume, and country elevators are rushing stored wheat to terminals, in order to get space cleared for the new crop. The movement has been on such a scale that one of the railways has commenced to limit the number of cars loaded daily, in order to avoid any risk of a tieup at the head of the lakes.

Trading Held Up

The Winnipeg wheat market came to a complete stop last week. For a whole day it became impossible to sell wheat. Futures prices had been pegged by the Exchange some weeks ago at the request of the Dominion Government, through the Canadian Wheat Board. This meant that transactions in futures were forbidden below certain levels specified for July, October and December deliveries.

Several times the market had halted for a period with no bid available at or above the pegged levels, but at some time or other during the day enough buying orders would come into the market to take care of limited offerings.

When a whole day passed without it being possible to make sales the stagnation in the futures market had to be reflected back into the country. The elevator companies had to cease buying. Farmers offering wheat for sale were informed that it would be listed, and disposed of as soon as opportunity offered. Actually, however, the elevator companies were somewhat late in suspending their price lists.

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Effect on Farmers

Inconvenience to farmers from suspension of the market has been slight, because the great bulk of last year's crop has already been sold by them. Provided he has not exhausted his limit of 5,000 bushels from the current crop a farmer can still deliver wheat to the Canadian Wheat Board, and receive an initial price of 70 cents a bushel, basis No. 1 Northern at Fort William. Only if he has already delivered 5,000 bushels to the Board, which exhausts his rights in that respect, does he have to seek another channel for disposal.

In that case there is still open to him one of the various pools operated under government guarantee under the Wheat Co-operative Marketing. On deliveries to such organizations he is able to get an initial payment based on 56 cents a bushel at Fort William, instead of the 70 cents available on Wheat Board deliveries.

Most farmers, however, who had wheat undeliverable to the Board preferred to wait to see what the outcome of the situation would be before making use of the latter alternative.

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Cash Dealing Curbed

Not only did transactions in futures and buying in the country come to a stop, but it became necessary to forbid transactions in cash wheat—that is wheat in store at the head of the lakes—at prices below specified levels. Those levels were based on futures prices, and advanced fractionally on specified dates.

Regulations effective on the Winnipeg Grain Exchange could not prevent owners of wheat stored in eastern Canada selling below corresponding prices, either in domestic markets, or for export. Such sales, however, were unlikely, as exporters carrying the wheat in question have to lift their hedges in the Winnipeg futures market, and are not likely to accept a definite loss except in fear of a greater one. But export business was not brought to a stop, as the British purchasing agency acquired a short time ago a long line of futures in the Winnipeg market, which they are able to exchange for wheat in shipping position.

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Three Problems

Three separate problems are involved in such a situation. Refusal of the right to sell wheat below a certain price level implies that the Canadian Government, through the Canadian Wheat Board, will not itself sell wheat, either for domestic use or for export, at less than the specified level. It must provide means already available to farmers through the Wheat Board, by which wheat can be disposed of. And it must protect against loss those concerns which hold wheat in eastern positions if they are to be counted on to continue moving wheat into shipping position, and to maintain the flow of wheat down the great lakes.

Otherwise the Wheat Board itself will have to go directly into the business of forwarding such wheat to eastern positions, and financing it there, adding very greatly to its responsibilities.

Existence of such a situation appears to indicate lack of any understanding, extending over a period between the Governments of Canada and Great Britain, since the British Government is now practically the sole buyer of export wheat. The Canadian authorities can, of course, establish any selling price they see fit, provided they continue to control stocks of Canadian wheat, while correspondingly the British buying agency can limit its takings, subject to its ability to get wheat elsewhere.

For the next six months, until Argentine new crop wheat is available, presumably British supplies must mainly be obtained in Canada, unless exchange difficulties of securing wheat in the United States can be overcome.

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Chicago Opinion

Chicago prices for wheat have continued to show weakness, under the double impact of war news and harvesting of a winter wheat crop larger than was earlier expected. Observers begin to discuss the possibility that the decline has run its course, and that damage to the spring wheat crop, extent of which is still indefinite, may stimulate interest once more.

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Threat to Germany

Whatever other effects follow Russian seizures in Roumania, a serious threat to German food supplies is involved. Mobilization of large forces in Danubian countries, even without extensive conflicts, imperils the prospect of harvesting the growing crops, which all reports put at much less than average. Peasants are much less likely to offer grain for sale, keeping it themselves to secure their own supplies and feed for livestock, if indeed, the commercial channels for sale do not largely disappear.

Such considerations are quite apart from the transfer of a great part of the Roumanian wheat growing area to Russian control, and the possibility that surplus grain there may go to feed Russian troops or civilians.

From the standpoint of
year's seeding is to be c
the fact that Balkan count
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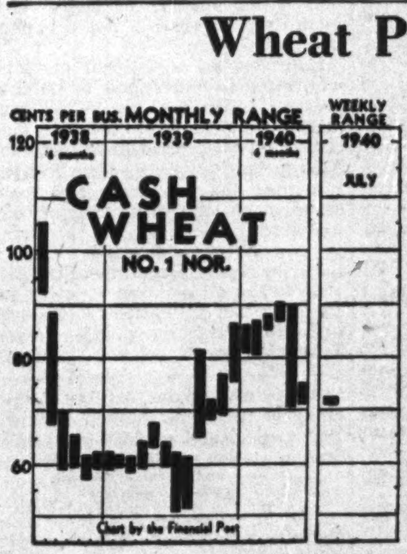
Wheat Prices



Cash Quotations

	For Week July 2 High	For Week July 2 Low	Prev. Week High	Prev. Week Low
Wheat:				
1 Hard	.71⅜	.71⅛	.71⅛	.71
1 Nor.	.71⅜	.71⅛	.71⅛	.70⅞
2 Nor.	.68⅝	.68⅛	.68⅛	.67⅞
3 Nor.	.63¾	.63⅜	.64⅛	.63⅝
4 Nor.	.61⅛	.61⅜	.62¾	.61⅞
5 Wheat	.57⅜	.57⅜	.58¾	.57⅜
6 Wheat	.56⅜	.56⅜	.56¾	.56⅜
Feed	.52⅜	.52⅜	.52½	.52⅜
Oats:				
2 C. W.	.32	.30½	.31¼	.30
3 C. W.	.29⅞	.29	.30½	.28¾
Barley:				
1 Feed	.30	.29	.31¼	.29½
2 Feed	.29⅛	.28½	.30¾	.29
Flax:				
1 C. W.	1.31¾	1.26	1.33⅜	1.25⅝
2 C. W.	1.27¾	1.22	1.29⅜	1.19½
Rye:				
2 C. W.	.41⅝	.40	.45¼	.41¼

Winnipeg Grain Futures

Week to July 2, 1940

Crop year from Aug. 1, 1939 High	Low		Open June 28	High for week	Low for week	Close July 2	Close year ago
		Wheat					
.93⅛	.61⅞	July	.71⅝	.71⅝	.71⅝	.71⅜	.58⅞
.95⅝	.63⅝	Oct.	.73⅝	.73⅝	.73⅝	.73⅝	.59⅝
.79⅝	.74⅝	Dec.	.74⅝	.74⅝	.74⅝	.74⅝	.61⅝
		Oats					
.40⅞	.28⅞	July	.28⅞	.30¾	.28⅞	.30¾	.27⅞
.38⅝	.26¼	Oct.	.26⅝	.27⅝	.26¼	.27¼	.28
.29⅛	.26⅛	Dec.	.26⅛	.27⅛	.26⅛	.26⅝	.27⅝
		Barley					
.53⅝	.31⅛	July	.32½	.32⅝	.31⅝	.32¼	.35⅝
.52	.32⅝	Oct.	.33⅝	.34⅛	.32⅝	.33⅝	.35½
.38½	.33¾	Dec.	.34	.34½	.33⅝	.34½	.35⅞
		Flax					
2.39	1.24	July	1.30	1.33	1.27½	1.28	1.40½
2.36½	1.29	Oct.	1.33¼	1.33¾	1.29½	1.29½	1.37½
		Rye					
.81½	.39⅝	July	.42	.42	.39¾	.41⅝	.40⅞
.77½	.39⅝	Oct.	.40⅝	.41⅛	.39⅝	.40⅝	.42⅝
.67⅝	.39⅝	Dec.	.41⅝	.41⅝	.39⅝	.41	.43⅝

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Week in Mining

Ottawa Clarifies Taxes Under New War Budget

Minimum Tax of 12% For New Gold Mines Despite Reports Otherwise — Depletion to Be Allowed on Excess Value

Despite widespread reports that excess profits taxation of new gold mines brought into production since Jan. 1, 1938, would be based only on 75% of the excess value of output for the year, The Financial Post is informed by income tax authorities at Ottawa that the alternative 12% minimum of total net profits definitely applies, as reported by The Financial Post last week.

In addition to the exemption for corporate tax on the surplus value of output, the present exemption of one third for depletion is also to be allowed, authorities report. An average price of gold for the last four years has not yet been set by the Ottawa officials but it is stated that it will work out very close to $35 an ounce.

With gold now at $38.50 an ounce, the excess value is approximately $3.50 an ounce. After one third depletion is deducted from this, 18% of the remainder is deducted for corporate tax exemption. After this 75% of the remainder is the excess profits tax per ounce of gold produced to be paid if the total tax on this basis exceeds 12% of total profits. The authorities believe that in most cases the 12% minimum will govern for new mines.

May Ask Change

While mining people generally have expressed satisfaction with the excess profits tax in its present form, reports are current that the Dominion Government will be asked by some unidentified interests to change the form of the taxation, substituting a tax on dividends.

Such a tax, however, could be easily evaded by paying out only a small portion of profits in dividends and it does not appear likely to find favor with the authorities at Ottawa. The mining industry, too, would not likely approve any proposal which would base taxes on dividends distributed rather than the ability to pay.

• • •

The Waite Problem

No decision has yet been reached as to how Waite-Amulet Mines will be treated under the excess profits tax but it does appear likely the company will be accorded special treatment.

Waite-Amulet is not a new mine but an old one so that it does not receive special consideration under the Excess Profits Tax Act as now proposed. The company could probably qualify under the depressed industry clause, securing an exemption of 5 to 10% on capital, but even this would hardly be fair, it is believed.

Questioned about this company, Ottawa authorities were non-committal but threw out the suggestion of possible special treatment. Waite-Amulet will probably be a test case for any other companies in the same category.

• • •

Sabotage Obviated

Consolidated Mining and Smelting Co. appears to have worked out an excellent solution for a possible fifth-column threat to its important operations at Trail, B.C.

The company had a total of 23 Germans on its payroll at the outbreak of war, who could no longer be allowed to work at Trail. Instead of releasing the men outright and making them a charge on the authorities, however, the men were offered employment in the north in the company's employ.

All but one of the men accepted the company's offer and Smelter's Germans are now en route to the area north of Great Slave Lake where it is anticipated they will be unable to do any damage they might contemplate.

• • •

Tungsten Hunt

One of the most actively sought war metals in Canada at present is tungsten, used in the manufacture of tool steel.

According to reports, two Canadian companies, Premier Gold Mining Co. and Big Missouri, are sampling tungsten discoveries in the Fisk Lake area, near Hyder, Alaska. Excellent showings of tungsten are stated to have been found on the Mountain View and other properties in the neighborhood and present work is to determine if the tungsten-bearing scheelite is present in sufficient quantities to be commercial.

While no tungsten is being produced in Canada at present, tungsten is known to exist in commercial quantities at Slave Lake Gold Mines although no work is being carried on there at present. At Herblet Lake, Manitoba, extensive surface exploration is also under way for tungsten.

• • •

Market in Doldrums

The stock markets have shown very little response to any type of news in recent weeks. Even the budget failed to affect the mining list materially. Activity has been declining week by week and on Tuesday last volume reached a new low.

The only encouragement many brokers can see in sight is the very low volume of trading itself. They point out that volume is dwindling to nearly nothing and the downward trend must soon be reversed.

Any sharp upturn on the mining market, however, will likely await a turn for the better in Europe, many people feel. In spite of the increase in taxation so far, fears of even higher taxes are being voiced in some quarters.

Consider Mill At Hoyle Mine

Loans May Finance Unit of 400 Tons Daily Capacity

A mill with a tentative of 400 tons daily capacity is now under consideration for Hoyle Gold Mines, according to usually reliable sources. Financing of the mill unit may be arranged by loans from Ventures, its associated companies and Howey Gold Mines. The Hoyle property lies in northeastern Porcupine.

It is understood that parties lending money for mine preparation and mill erection will be given a bonus stock under present plans. The recent increase in authorized capital from 4 to 5 million shares will allow this to be done if desired.

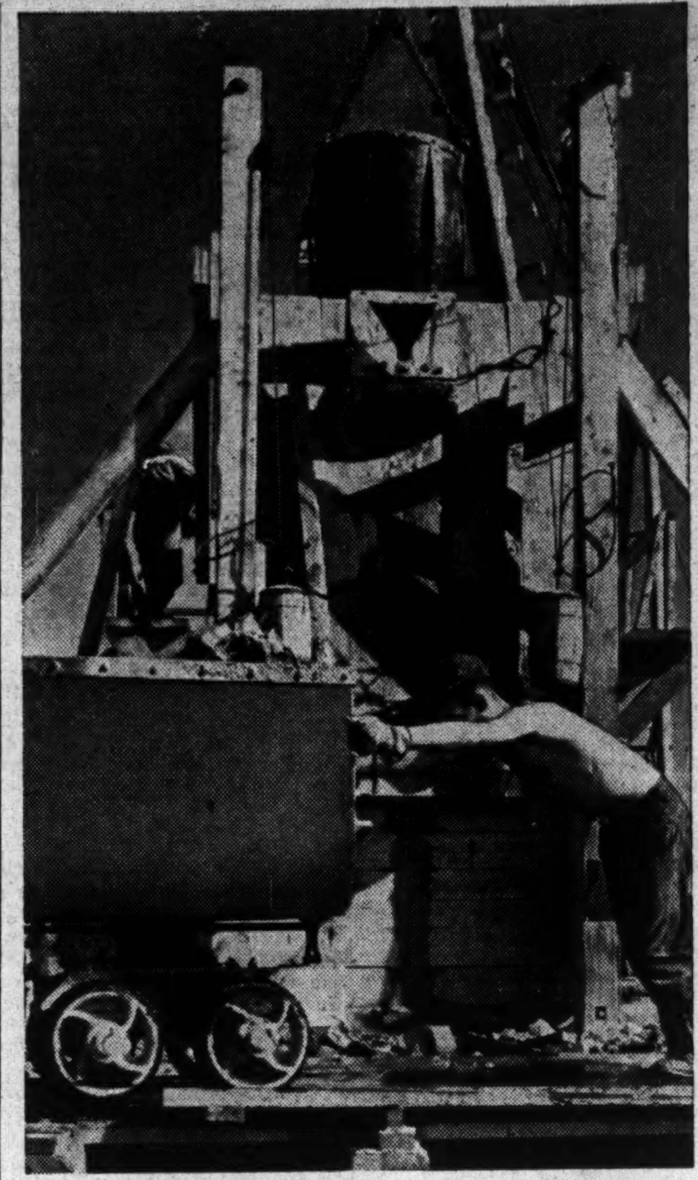
Operating costs of $3.60 a ton are stated to be expected on the basis of a 400-ton mill unit or a rate of approximately $330,000 operating profit annually. While the mill would have a nominal capacity of 400 tons, it is believed sorting equipment will be installed to allow the handling of 500 tons daily with 100 tons discarded as waste.

Ore reserves as at April 2, 1940, are reported at approximately 1,300,000 tons averaging 0.124 oz. gold or $4.77 a ton above the 700-ft. horizon. Reserves are alternatively estimated at an indicated 540,000 tons averaging 0.162 oz. gold or $6.33 a ton to be available by selective mining methods. Ore reserves lie in a length of 1,500 ft. tributary to the shaft.

Siscoe Holding Back From Davis Option

Contrary to earlier reports, Siscoe Gold Mines has held back from signing an agreement to option the Davis property 25 miles northeast of Sudbury, in the Lake Wahnapitae area of Ontario.

Several properties were examined by Siscoe some time ago, and later it was indicated the company would option the Davis ground and perform some diamond drilling.



NEW EMPHASIS ON IRON

With the United States placing a ban on export of certain key war metals, development of domestic sources of iron ore supply in Canada has become of increasing importance.

Pictured above is a miner pushing an ore car at Steep Rock Iron Mines now proceeding with development. Crosscutting from the Steep Rock shaft at the 800-ft. level has proceeded about 800 ft.

McColl to Drill In Moose Field

Series of Wells Planned, First to be Spudded by Sept. 1

In an effort to provide for future requirements of crude oil in western Canada, McColl-Frontenac Oil Co. announces it has concluded a purchase agreement with the Pilling interests of Calgary, covering over 7,000 acres of oil leases in the Moose Dome region, approximately 35 miles west of Calgary.

This agreement is subject to overriding royalties and provides that the company will shortly commence drilling the first of a series of test wells on the Moose Dome structure.

Spud Well by September 1

It is expected that the first test well will be spudded in prior to Sept. 1, 1940, under the general supervision of the company's exploration department headed up by geologist E. H. Hunt.

The possibilities of the Moose Dome properties are not altogether unknown since two shallow wells have already been drilled in the area to approximate depths of 1,600 and 2,800 ft. respectively, one producing a small quantity of high gravity crude oil and other resulting in heavy intermittent flows of gas.

Successful development of the Moose Dome properties by McColl-Frontenac would also assist the Dominion Government's attempt to conserve foreign exchange for war purposes by producing greater quantities of Canadian crude oil as well as contributing to the general economic growth of Alberta.

British Dominion Has Higher Loss

Working Capital Shows Gain Over End of Previous Fiscal Year

A loss of $25,665 was experienced by British Dominion Oil and Development Co. in the year ended March 31, 1940, compared with a loss of $16,057 in the preceding fiscal year.

Revenue from production for the year came from the company's No. 4 well which has now been abandoned, according to the company's statement of abandoned wells and leases.

The company's holdings in Royalite Oil Co. remained unchanged at 1,150 shares during the year.

Income and Surplus Account
Years Ended March 31

	1940 $	1939 $
Oil and gas sales	589	1,552
Add: Trusts expenses.	1,887	3,744
Int. on invests.	1,595	......
Rent received	......	20
Management adjust.	1,600	......
Total income	5,671	5,316
Less: Production exp.	3,773	7,488
Admin. & gen. exp.	23,402	9,708
Depreciation	4,521	4,177
Net loss	25,665	16,057
Add: Prev. loss	42,783	23,639
Income tax adjust. .	620	119
Loss for roy. holders	......	1,326
Deposit re claim w/o	......	600
Com. on shares	......	1,380
Less: Real. on assets .	3,918	......
Adjust.	1,822	338
Deficit forward	63,328	42,783
No. of Shs. Outstand.	1,110,396	790,196
Working Capital		
Current assets*	73,853	59,077
Current liabilities	2,123	516
Working capital	71,730	58,561

*Including Royalite shares at book value.

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Week in Oils

Seek Tax Exemptions

Except for gold-mining companies, which are exempted from income taxes for the first three years of production, all companies will pay in excess profits tax and corporate income tax combined, a minimum of 30% of total net profits, whether or not such profits exceed pre-war profits.

It is known, however, that negotiations now are under way with the Dominion Government to obtain greater concessions for oil companies, particularly greater allowances for depletion, which would assure that the return of capital in what is essentially a "wasting asset" will not be heavily taxed as "excess profits." At present, oil companies are permitted to write off pre-production expenses (drill costs, etc.) at not more than 30% the first year of production, 20% the second year, 15% the third year, 12% the fourth year, and 10% the fifth and subsequent years until costs have been fully amortized.

• • •

Royalties Not Affected

This would apply to development financed by share companies. It does not apply to development financed by royalty issues. The Exchequer Court of Canada, in a recent test case, ruled in effect that when anticipated production from a well financed by an issue of royalties is assigned to a trust company, for distribution to various owners of the royalties, such production is no longer the property of the promoting company. It is therefore not subject to income tax other than that which might be paid by the individual royalty owner on his return from production.

• • •

Allowables Boosted

Under the new schedule of allowables, which boosted Turner Valley production to 26,000 bbls. daily, effective July 1, the field's largest well, Arrow Oil Co. 1, will be permitted to produce 690 bbls. daily as against its previous quota of 491 bbls. The second ranking producer, Home-Millarville No. 3, was given a quota of 653 bbls. displacing its former allowable of 490 bbls. Other top-ranking wells under the new schedule are Home-Millarville No. 2, 614 bbls.; Royalite No. 48, 605 bbls.; Anglo-Canadian No. 7, 567 bbls.; Home-Millarville No. 4, 545 bbls.; Royalite No. 43, 483 bbls.; Northwest-Hudson Bay No. 3, 480 bbls.; Royalite No. 46, 470 bbls.; and Calmont-Northwest No. 1, 441 bbls.

• • •

Big New Producer

Blowing in under its own power last Wednesday with an initial flow of 22 bbls. hourly, and increasing to a steady 27 to 30 bbls. hourly by the week end, the Alberta Oil Incomes No. 1 well in North Turner Valley seems slated for major well ranking. Drilling was completed 634 ft. in the lime at 6,974 ft. An exceptionally thick (180-ft.) lower porous zone was drilled through between 6,760 and 6,940 ft. and a 90-ft. upper zone was found between 6,460 and 6,550 ft.

Dr. J. O. G. Sanderson located the well, which is a quarter of a mile east of big producer Home-Millarville No. 3. Sanderson's estimate of 6,300 ft. to the lime proved remarkably close. Actual lime contact was 6,340 ft. Home 3 reached the lime at 7,688 ft.

Jason Mill Runs Over 100 Tons

Milling operations at Jason Mines are now over the 100-ton daily rate with 104 tons of ore handled on June 24. Rated capacity of the plant is 125 tons daily.

The company plans to pour its first gold brick on July 15 but this brick is expected to be smaller than normal production due to treatment of low-grade material from the surface dump and absorption in the mill circuit.

Mill heads for June 26 and June 27 were $24.96 and $19.71 a ton respectively, it is stated, although a considerable portion of mill feed is still coming from the surface dump. Tailings are averaging between 35 and 70 cents a ton. At the No. 1 shaft drifting both north and south at the new No. 4 level is stated to be in high-grade ore.

Oil Control Measures Widen Role Of Canada's Own Supply Sources

From Our Own Correspondent

OTTAWA.—Three main aspects of oil control policy and growing importance of Alberta oil fields may be seen behind the Government appointment of George R. Cottrelle, Toronto, a director of the Canadian Bank of Commerce, as oil controller. They are:

1. Control of existing large stocks of oil, already accumulated by oil companies, in order to maintain the pace of air training and other war activities, as well as supply domestic requirements.
2. Curtailment as far as possible of oil imports in order to husband Canada's foreign exchange resources.
3. Rapid expansion of oil production in Canada to fill our own needs from home production as much as possible.

Felt in the West

The immediate result of oil control in Canada will be felt in Alberta's oil fields, particularly Turner Valley. But with a go-ahead signal out for the oil industry, other Alberta fields will probably be speeded up to increase oil supplies quickly.

Hon. N. E. Tanner, Alberta minister of Lands and Mines, and Walter S. Campbell, representing the Alberta Oil producers association, conferred with Hon. C. D. Howe, minister of Munitions and Supply, and other federal officials on the rôle of Alberta oil in Canada's war plans.

The first result to Alberta has been a virtual guarantee of as big a market within Canada as that province's oil fields can handle. In the near future, it is expected, Turner Valley will achieve what it has long sought, a condition of full production and an added incentive to bring in new wells.

Present pro rata production of Turner Valley now stands at 26,000 bbls. daily, out of potential production of about 35,000 bbls. daily. The Turner Valley daily allowable output has been increased 5,000 bbls. as of July 1, and a further increase is expected soon.

Favored by Tax

The effect of the Ralston budget provision of an excise tax of 10% on imports favored Alberta oil. Its market has extended across the West from the Rocky mountains as far as Winnipeg, where it came into competition with Illinois oil.

The whole Winnipeg gasoline market is expected to go to Turner Valley, either as a result of the new tax, the foreign exchange position, or if necessary, control measures to favor Canadian oil over foreign imports.

A new market for Turner Valley will probably be Vancouver, where California oil has supremacy at the present time. For the time being Winnipeg and Vancouver will probably absorb all additional production of which Alberta is capable. In Vancouver, where a large market for fuel oil exists, only a market for gasoline from Turner Valley oil is expected to develop.

Pipeline Plan

Alberta recently asked the Dominion Government to consider its proposal for a 60,000-bbls. daily capacity pineline to the head of the Great Lakes. This proposal was rejected last year, chiefly because Alberta production is evidently not sufficient to maintain a full flow in such a pipe. But with the Vermilion field and other oil areas showing promise of quick exploitation if the market develops, the foothills province has not dropped its pipeline plan.

However, an adjustment of railway rates is understood to be the present basis for enlarging the market for Alberta oil. Pending decisions on oil control measures, the Alberta industry hopes for a freight rate over the mountains and concessions on the transport of oil eastward.

Aviation Gasoline

Furthermore, Government assistance to the oil refining industry to adapt certain refineries to produce high-grade aviation gasoline from Turner Valley is believed in prospect as a measure of oil control under present war plans.

Planes require gasoline of 87 octane rating, and refineries in the West now handling Turner Valley crude are producing a gasoline of 82 and 83 octane rating. The problem of improving this rating to meet the requirements of aviation fuel is believed to be technically easy, and in the installation of new equipment the Government will probably exercise close control.

Thousands of barrels of aviation gasoline will be required for the Empire air training plan as new flying schools open from time to time in the coming months. Already a large stock of high-grade gasoline has been stored by the oil companies, but for future supplies the Government will look to Turner Valley first.

No Rationing

As oil controller, Mr. Cottrelle will have as assistant S. W. Fairweather, Canadian National Railways economist. The controller has been given broad powers, and may take action to increase the nation's oil output by adjustment of prices and profit margin on crude oil and refined products by freight rate revision, or other means that might be decided on.

It is not expected any rationing of gasoline will be ordered, for the time being at least.

Tax Widens Market

The 10% import exchange tax increases the cost of landing American crude at eastern Canadian and Pacific coast refineries by around 20 cents per barrel. As a result the product from these refineries will be displaced by products refined from Turner Valley crude in the Winnipeg market (now shared between the two) and the Turner Valley product is expected to push as far east as Rainy River and at least as far west as the Okanagan Valley in central British Columbia.

In addition the tax will reduce to a trickle the flow of Montana-processed gasoline into southern Alberta and Saskatchewan—a flow which already has been sharply reduced in recent months by decision of the McColl-Frontenac Oil Co. to market as much Canadian crude as possible through the Texas Co. outlets acquired by McColl-Frontenac in February.

With the addition of this market, it is likely Turner Valley output would reach a peak of about 30,000 bbls. this summer and early fall. The field is capable of producing 35,000 bbls. daily and possibly 40,000 bbls. (though the higher figure would probably considerably strain the field) from present wells. It seems probable now, therefore, that steps will be taken to open up a part of the Pacific coast market to Turner Valley, so that the field will operate at capacity.

An inevitable effect of increased output will be the stimulation of development in the central and north sections of this field, where locations for as many as 150 wells are still available, and the intensifying of the search for new fields in other parts of the province.

Central Patricia Profit Runs at Normal Rate

Estimated net profit of $158,882 equal to 6.4 cents a share was realized by Central Patricia Gold Mines in the three months ended March 31, 1940, according to a statement accompanying current dividend cheques. This compares with net profit equal to 24 cents a share for all 1939.

Production for the first quarter of 1940 was $487,130, while operating costs totalled $213,376, leaving an estimated operating profit of $273,754, before taxes and write-offs. Estimated provincial and Dominion taxes were $50,075 and provision for depreciation, deferred development and other pre-operating expenses amounted to $64,797, leaving estimated net profit of $158,882.

Company Reports

Dominion-Scottish

Dominion-Scottish Investments Ltd., management type of investment trust, reports a moderate gain in net profits for the year ended May 31, 1940. Dividends of $2.25 a share paid on the preference stock were covered by net profits of $2.35 a share compared with $2.24 for the preceding year. Retroactive changes in income taxation were chiefly responsible for the $12,374 charged as an adjustment to surplus. Dividends arrears amount to $5.80 a share.

Market value of investments was adversely affected by the war. Book value of investments is $3.7 millions at the end of May this year and market value $2.7 millions. Corresponding figures for the end of May, 1939, are $3.7 millions and $3 millions respectively.

Income and Surplus Account
Years Ended May 31

	1940 $	1939 $
Income from invest. .	184,476	173,521
Less: Rent, salaries, etc.	10,151	9,995
Executive salary ...	2,500	2,500
Directors' fees	3,000	3,000
Int., exchange, etc.	120	695
Trustee & other fees	2,423	2,746
Net earnings	166,282	154,585
Less: Bond interest ..	40,000	40,000
Income taxes	10,830	4,515
Net profit	115,452	110,070
Less: Pref. dividends	110,556	108,099
Surplus for year	4,896	1,971
Add: Prev. surplus ..	62,601	60,630
Less: Tax adjustment	12,374	......
Surplus forward	55,122	62,601
Earned per Share:		
Preference	$2.35	$2.24
Paid	2.25	2.20
Shares Outstanding:		
Preference, $50 par.	49,136	49,136
Common, $1 par ..	89,153	89,153
Equity per Share:		
Preference	$33.85	$39.30

Montreal Coke

Montreal Coke & Manufacturing Co. reports increased earnings and improvement in net working capital for year ended Dec. 31, 1939. Gross revenue in that year totalled $4.7 millions, an increase of $306,000. Net earnings available for fixed charges improved $80,000 to $718,045. Interest charges of $130,215 were covered more than 5.5 times.

Net income of $587,830 was equal to $19.59 a share on the 6% preferred stock, of which there are 30,000 shares outstanding. The net was equal to $4.08 a share on 100,000 common shares outstanding. This was equivalent to a net of $501,425 in 1938, which was equal to $16.71 and $3.21, respectively on the two classes of stock. In 1939 dividends of $3.25 a share were paid, compared with $3.50 in 1938.

Net working capital increased $47,086 to $1.8 million at the end of 1939. Cash on hand at the end of the year dropped to $57,740 from $97,042 at the end of the previous year. Accounts receivable increased by $30,000 to $415,306. Inventories increased by $60,000 to $2 millions.

Montreal Coke & Mfg. Co. is controlled jointly by Montreal Light, Heat & Power Consolidated and Koppers Co.

Gatineau Power Co.

Gatineau Power Co. reports slightly higher consolidated revenue for the first quarter of 1940.

Net profits before dividends, after doubling the depreciation reserve and providing for exchange loss, was $548,526 as against $538,867 a year ago.

Cons. Profit and Loss
Quarter Ended Mar. 31

	1940 $	1939 $
Gross income	2,336,450	2,293,979
Less: Oper. expense .	222,961	221,011
Maintenance	30,052	42,675
Taxes	256,248	216,754
Net revenue	1,818,189	1,813,539
Less: Bond interest .	558,220	852,564
Debent. interest ...	207,272	153,358
Exchange loss	126,771	52
Depreciation	300,000	166,995
Discount w/o	47,400	101,703
Net profit	548,526	538,867

St. John Dry Docks

St. John Dry Dock & Shipbuilding Co. reports operating profit of $66,658 in the year ended Dec. 31, 1939, compared with $48,164 the year before. Dominion Government subsidy applicable to retirement of bonds in 1939 amounted to $145,762, compared with $142,890 in the preceding year. Depreciation provision of $145,762 was made in 1939, compared with $140,099 in the previous year. Surplus carried in the balance sheet was increased to $168,042 from $140,686.

Prospects in the dry dock business for the current year are encouraging, Frank M. Ross, president, states in the annual report. Contracts have been received for a large amount of new construction and a substantial volume of repair work is available.

Working capital was reduced to $217,235 from $237,972. Funded debt of the company was reduced by $145,762 to $3.4 millions.

Gold Belt

While a net profit of only $180 was realized by Gold Belt Mining Co. in the year ended March 31, 1940, operating profits for the period allowed retirement of over $160,000 of notes payable, with working capital at the end of the period showing a decline of less than $5,000 at $159,761.

Since March 31, 1940, North American Mines Inc. has taken up a further 5,000 shares at 30 cents a share and the balance of its option has been cancelled.

Ore reserves as at April 1, 1940, were estimated at 25,562 tons averaging 0.34 oz. gold per ton, either blocked out or broken in the 6600, 8000, 8200 and 3040 veins. A year previously reserves were 40,134 tons averaging 0.351 oz. a ton. A total of 59,666 tons of ore was milled last year.

In addition to ore blocked out and broken in 1940, however, ore has been struck on the 2360 vein at the 1,400-ft. level and a strong vein is reported to have just been cut.

Income and Surplus Account
Years Ended March 31

	1940 $	*1939 $
Bullion production ..	575,030	342,846
Less: Marketing	7,777	4,666
Net production	567,253	338,180
Less: Mining	173,076	74,498
Development	123,784	17,511
Milling	78,598	34,357
Ore delivery	6,522	2,087
Refining	1,320	2,429
Miscellaneous	1,750	2,499
General administ. ..	4,821	2,114
Operating profit	177,382	202,686
Add: Misc. income ...	3,447	......
Less: Interest	4,824	5,876
Depletion	120,292	63,266
Depreciation	45,961	16,462
Mineral tax	9,572	12,000
Net profit	180	105,052
Add: Prev. surplus ..	105,052	......
Surplus forward	105,232	105,052

*Six months ended Mar. 31, 1939.

Earnings per Share and Dividend Record:		
Earned	nil	$0.042
No dividends paid.		
No. of Shs. Outstand.	2,535,000	2,530,000
Notes Outstanding ...	......	$166,901
Working Capital		
Current assets	198,167	199,633
Current liabilities	38,406	35,384
Working capital	159,761	164,249

Pend Oreille

Highlights of the annual report of Pend Oreille Mines & Metals for the year ended April 30, 1940, are as follows:

Earnings practically unchanged from the previous year at 2.7 cents a share.

An increase in working capital to more than double at $159,699.

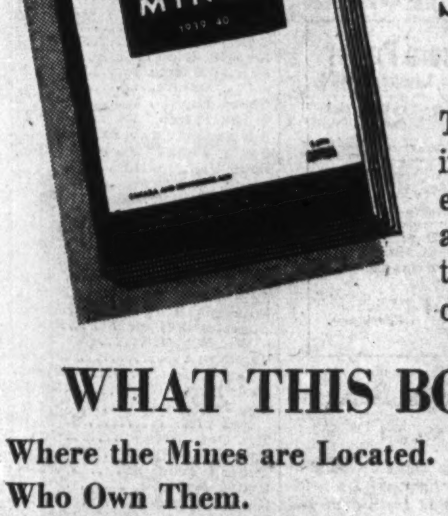
Retirement of $80,000 of bonds with a further $100,000 scheduled to be retired July 1, 1940.

Production for the year was slightly higher at $706,939 compared with $609,813 the previous year. Tonnage milled showed an increase to 247,654 up from 227,408 tons the previous year.

Development operations during the period comprised 1,071 ft. of incline and raises, 2,628 ft. of drifts, 19,927 ft. of diamond drilling, deepening of the main shaft 77 ft., cutting a sump and establishment of a loading station at the 800-ft. horizon.

Income and Surplus Account
Years Ended April 30

	1940 $	1939 $
Ore sales	706,939	609,813
Other income	35,695	34,618
Total income	742,634	644,431
Less: Mining	295,898	228,575
Diamond drilling ...	22,020	9,945
Milling	115,765	95,591
Other oper. costs ...	55,223	51,352
Interest & taxes ...	40,054	39,691
General expenses ..	26,331	24,503
Depreciation	80,298	88,561
Depletion	54,270	51,435
Income taxes	8,213	10,370
Net profit & surplus .	44,562	44,208
Add: Prev. surplus ...	44,390	965
Less: Adjustments ...	......	783
Surplus forward	88,952	44,390
Earnings per Share and Dividend Record:		
Earned	$0.027	$0.027
No dividends paid.		
No. of Shs. Outstand.	1,632,308	1,632,308
Bonds Outstanding ..	200,000	260,000
Working Capital		
Current assets	212,242	145,121
Current liabilities	52,543	71,890
Working capital	159,699	73,231



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Budget to Bring Output Step-up

Numerous Mill Enlargements Deferred by Tax Uncertainty

By GORDON M. GRANT
Staff Writer, The Financial Post

Evidence of improved sentiment in mining circles was not difficult to find after the budget speech of last week. One man—president of a large new gold mine—stated: "It looks as if we are going to get a break." Concrete proof of the new trend came in the announcement of an increase in mill capacity from 750 to 1,000 tons daily for Sigma Mines (Quebec). Alex Fasken, Sigma's president, put the situation to The Post in this way;

"It wasn't just the terms of the excess profits tax that decided us on the increase in mill capacity but the evident desire of the Dominion Government to see we secured fair treatment. We now feel certain of fair treatment and have reason to be satisfied with the assurances received.

"We don't know yet just how the excess profits tax is going to be interpreted, but we feel sure the right thing will be done. Although Sigma came into production before Jan. 1, 1938, I don't think the company's earnings will be compared with those of previous periods; the value of gold output will be taken as the basis for taxation, I believe. Taxes on our increased profit will be a minimum of 30%, I expect, but that is perhaps not out of the way. We would have to pay 18% corporation tax on this profit anyway and the 10% extra being received for gold will look after the 12% tax on profits."

Similar statements were forthcoming from other mining people.

While Sigma Mines (Quebec) was the first company to announce a mill increase directly following announcement of the new excess profits tax, other increases are expected shortly. Many mines have held up mill increases because there were no data available on what form the new taxation would take. A rough idea can now be secured and details will no doubt be settled in the next few weeks.

The pressing need for gold to supply foreign exchange, which was pointed out in the budget speech, provides an important reason for stepping up capacity. The gold mining industry wishes to co-operate with the Government just as much as the base metal mining industry is already doing. Gold mines may increase production for a time by stepping up grade, but increasing of gold production facilities wherever possible represents a much more satisfactory method of raising output and keeping it at a higher level.

A Few New Mines

At the moment chances of bringing a large number of new mines into production are not so great. Taxation fears and depressed markets have largely eliminated prospecting and the collapse of France meant a further restriction on funds for exploration. Some time will be necessary before renewed exploration can bring in new prospects. However, there are still a number of properties that are partially developed that may now be placed in production. National Malartic, Senator-Rouyn, Hoyle and Mic Mac Mines are in this classification.

While new mines may eventually make an important contribution in raising gold production, increasing capacity appears to be the best bet just now.

Covered below are the gold mining companies which appear to be in the best position minewise to step up their mill capacity. Sigma Mines is covered first since it is expected to be the leader in increasing mill capacity.

• • •

Sigma Mines

Although the announcement of Sigma's mill increase from 750 to 1,000 tons daily comes unheralded, the move is perhaps not so surprising. Last year ore reserves were increased from 718,500 to 876,900, although the large programme of development largely consisted of shaft sinking and opening up new levels. Ore-producing conditions have been found at depth indicating that a substantial increase in ore reserves is possible without a great amount of further work.

The company will readily finance its mill expansion within its present capital resources. Working capital at the end of 1939 amounted to $481,514 compared with an excess of current liabilities over current assets of $76,503 at the end of the previous year, showing how rapidly profits are reflected in cash assets. An initial dividend of 30 cents a share has been declared but operating profits realized so far this year should be far more than ample to provide the $300,000 required for its payment. Earnings last year were equal to 72 cents a share. Production so far this year indicates a considerably higher level of earnings.

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Kerr-Addison

Directors of Kerr Addison Gold Mines have been giving serious consideration to an increase in mill capacity from 1,200 to 1,800 tons daily. The budget may now give the management the little extra inducement needed to reach a decision on this point.

Recent diamond drilling on the new deep levels at 1,000 and 1,300 ft. has been giving considerable encouragement and a picture of ore results should soon be available. There is no question about there being sufficient ore to justify an increase in mill capacity. At the end of 1939 proved and drill-indicated ore was estimated at 3.7 million tons sufficient to keep the present mill in operation for 8½ years without the opening up of one ton of additional ore.

On the basis of ore indicated an even greater increase in mill capacity than 50% would usually be considered justified if the money were available. However, the company has just started paying dividends and a new 600-ton unit would represent an economical type of expansion. The mill is already comprised of two units of 600 tons capacity each. Much of the company's past expansion has been financed by borrowing but further expansion can probably be paid for out of current earnings.

• • •

San Antonio

The uncertain situation in regard to the excess profits tax has been one of two factors keeping San Antonio from stepping up capacity of its mill. With an apparently satisfactory solution to the excess profits question now in sight, the mill step-up will no doubt receive much more serious consideration.

The other factor concerning an increase in mill capacity is results on the six new levels covering 1,000 ft. of depth. Development of these is just now getting well under way.

Sinking of the shaft for the opening of six new levels was prompted by the belief that the company might be in for a period of major expansion. Ore developments in 1939 were most impressive with ore reserves at the end of the year showing an increase of nearly 150,000 tons at 491,486 tons. This reserve represented ore sufficient for approximately four years' milling. The main feature of development in 1939 was opening of a length of 2,133 ft. of ore in the No. 38 vein and its branch veins at the ninth level. Over 1,500 ft. of this ore ran a third of an ounce of gold per ton across an average width of 16 ft.

At this stage some mill increase seems likely. What size it will be depends on results at the six new levels. Information on ore results should be available around the end of next month.

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East Malartic

At East Malartic Mines plans for a further expansion in the milling rate await results obtained on four new levels. Shaft sinking to 1,740 ft. for the opening up of the new levels is expected to be completed about August 1.

Capacity of the mill is 1,800 tons daily somewhat above the present milling rate of 1,500 tons daily. Completion of shaft will take a certain strain off the company's underground equipment allowing treatment of larger tonnage, it is believed. If the main ore body continues downward as indicated by drilling, the company may decide on another major expansion programme. The company's directors have been quite agressive in the matter of expansion in the past. Their policy has been fully warranted by results obtained.

Like Kerr Addison Gold Mines, provision of ore for the company's mill is not a problem as far as ore in place goes. Ore reserves at the end of 1939 were about 3.3 million tons or enough to keep the mill going for six years at the present 1,500-ton daily rate. The margin of profit is substantial.

In the first quarter of 1940 recovery averaged $6.93 a ton of which only $2.21 was operating cost. Earnings for the first quarter were 12.2 cents a share.

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Malartic Gold Fields

Although milling operations were started only last December, Malartic Gold Fields is already looking toward an expansion in its milling rate from 400 to 800 tons daily. A decision may possibly be reached this summer.

Financing of production was arranged with the assistance of a bank loan of $205,000 and at the end of 1939 there was an excess of current liabilities over current assets amounting to $320,171. However, production has been steadily increasing and a large portion of indebtedness has likely been liquidated by now. Figures released on costs indicated that over half production is operating profit. A new record for production was established in May at $126,046 from 13,187 tons of ore for an average recovery of $9.56 a ton.

Cost of expanding mill capacity from 400 to 800 tons daily is placed at $175,000 which would soon be returned in operating profits at the higher milling rate, it is believed. Ore reserves in the north area were indicated at around 700,000 tons at the end of 1939. Since then ore exposures have been considerably extended.

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Preston East Dome

Plans of Preston East Dome Mines call for an eventual expansion of the milling rate from 450 to 1,000 tons daily. Recently it was announced that production of gold would be increased 10% to help the Dominion Government secure the desired quantity of foreign exchange.

Like many other expanding mines, the company is concentrating on shaft sinking. However sinking from the 675-ft. horizon to 1,580 ft. is about completed now and development of a series of new levels will be getting under way shortly. If these levels respond to development the company should be much nearer its eventual mill capacity of 1,000 tons daily than at present. Indications secured in work at depth have been encouraging, it is stated.

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Aunor

When plans were first laid for the erection of a 300-ton mill at the property of Aunor Gold Mines, in southern Porcupine, the management allowed for future expansion. Capacity can be doubled at little more than the cost of the extra machinery required.

A programme of depth development is now being carried out and if results are up to those on the levels from 1,000 ft. upward it is believed that serious consideration will be given to doubling capacity. Favorable treatment on the score of taxation at least will remove one reason why capacity might not be doubled.

Sinking of the shaft from 1,000 to 1,500 ft. is expected to be completed next October but the 1,125-ft. level will be opened up while shaft sinking is under way. Already diamond drilling completed from the 1,000-ft. level has given important information about the downward continuation of ore bodies and the prospects for future expansion are believed to be quite bright. With the strong backing of the Noranda interests there appears little doubt that expansion will be considered as soon as feasible. Operating profits have been building up the company's financial position and expansion is not likely to tax the company's financial resources. There was no indebtedness when the mill was finished last February.

• • •

Upper Canada

Expansion of milling facilities to handle above the 150 tons daily now going through the mill at Upper Canada Mines is not hard to visualize. New ore disclosures have been coming quickly and while proved ore tonnage is perhaps not so great as yet there is a large amount of ore indicated in not just one but several ore zones.

The question of taxation made the management hesitant in the first place about erection of a mill. If new legislation is not going to place exceptionally heavy taxation on profits from expanded production, Upper Canada will likely give the question of mill expansion serious consideration. Indebtedness incurred for original mill erection has now been retired and profits are improving the treasury position.

Unless the company wishes to start payment of dividends before going ahead with mill expansion, it appears likely that there would be almost enough cash in the treasury by now to step up mill capacity. Of course development may not be sufficiently far advanced yet for mill expansion even though there is a large amount of ore indicated.

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Sladen-Malartic

Work at Sladen Malartic Mines the past year has been largely concentrated on adding to the tonnage of indicated ore so that a major expansion in mill capacity would be warranted. Increased capacity is desired to give lower costs more than offsetting the lower average grade of ore to be treated on a big tonnage basis.

Efforts last year expanded materially the indicated tonnage of ore even though the company had a small loss. According to the annual report, a further expansion in ore reserves is anticipated this year, especially in the large area between the No. 1 and No. 2 shafts.

No indication has come yet of an expansion in the milling rate above 550 tons daily but the mine is rapidly improving its ore position. A step up in mill capacity to over 1,000 tons daily appears possible in the not too distant future.

• • •

Other Mines

Besides the mines mentioned there are a considerable number of others that will likely step up production by increasing their mill capacity. Canadian Malartic Gold Mines announced a 10% increase in mill capacity some time before the budget was released. Cariboo Gold Quartz is expanding its production rate with a first step-up from 300 to 325 tons scheduled for next September. Leitch Gold Mines has installed extra equipment which will allow higher production.

Many larger mines could probably sustain a somewhat higher milling rate than at present if demanded as a national necessity. Hollinger has a larger capacity than it utilizes and output could probably be materially expanded. McIntyre is another, with large ore reserves which could probably expand its milling rate if the management wanted to pursue a somewhat less conservative mining policy than at present. Bralorne is in the same category.

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Teck-Hughes Profit Rises

Higher Production and Lower Costs Play Part — Ore Reserves Down

Higher production, lower costs and increased dividends from its subsidiary Lamaque Mines resulted in a step-up in profits for Teck-Hughes Gold Mines in the nine months ended May 31, 1940, with earnings amounting to $1,687,150 or 35 cents a share.

This compared with $1,377,259 profit or 28.7 cents a share in the corresponding period of the previous fiscal period.

Production Up

Production for the nine months ended May 31, 1939, totalled $2,741,829 from 258,150 tons of ore for an average recovery of $10.62 a ton as against $2,562,414 from 289,645 tons for an average of $8.85 a ton in the corresponding period last year. Reduction in operating costs was approximately $50,000 to $1,522,013 in the latest period.

Dividends received from Lamaque Gold Mines for the period totalled $690,080 as compared with $531,000 in the previous period.

During the nine months ended May 31, 1940, 855 ft. of new ore was opened up on 10 levels. This ore averaged 6 ft. in width with an average grade of 7.01 dwt. (One pennyweight equals $1.75 at $35 gold.)

Total ore reserves as at May 31, 1940, amounted to 519,781 tons averaging 5.87 dwt. a ton. At the end of February, reserves had amounted to 527,767 tons of the same grade.

Dosco Steps Up Ore Output

Bell Island Iron Mines Again Working at Capacity

From Our Own Correspondent

MONTREAL. — Full-time operations have been resumed at Dominion Steel and Coal Company's Bell Island Mines in Newfoundland. On May 1 the mines went on half time because of the large reserves of iron ore built up on the surface.

Normal exports of the preceding few years were severely curtailed when Germany passed out of the picture as an importer of iron ore. This belligerent had been the principal importer of Newfoundland iron ore. With Swedish ore cut off from Great Britain it would now appear that the U. K. will have to turn to other sources. The Newfoundland deposits, while not as high grade as the Swedish, seem to be the logical place for Great Britain to seek ore.

The acceleration of steel production in Canada will also require heavier shipments from the Bell Island deposits.

Stocks Heavy

On May 1 when announcement was made that operations would be curtailed to half it was stated that there were 850,000 tons of iron ore in the stock piles. About 1.2 million tons were in sight for shipment at that time for the remainder of the year. It was expected that 800,000 tons would be shipped to Dosco's Sydney plant and 400,000 tons to England.

Since that time the situation has been considerably altered. Canada and Great Britain will doubtless require greatly increased supplies of iron ore, as the decision to reopen the mines on full time would suggest.

It is understood that 2,200 Newfoundland miners will be employed and that the four mines at Bell Island will be working at full capacity.

Mining Enquiries

MacLeod-Cockshutt

What are the earnings and ore reserves of Macleod-Cockshutt Gold Mines?

Earnings of Macleod-Cockshutt Gold Mines for the six months ended March 31, 1940, amounted to 10.5 cents a share and with its new roaster in operation it is anticipated that profit for the succeeding six months may show an increase of slightly over 50%, according to Joseph Errington, the company's managing director.

On this basis, earnings of 30 cents a share per annum before excess profits tax appear a definite possibility. The company paid an interim dividend of 10 cents a share on April 30 and regular dividends are anticipated in the future, the amount depending to a considerable extent on the proportion of earnings that must be paid out in taxation.

Ore reserves are sufficient for five years milling operations at the present time.

Pioneer

Do there seem to be any chances for a revival at Pioneer Gold Mines? What is the position of the company just now?

Apparently the possibilities of future expansion for Pioneer Gold Mines depend on results obtained in outside exploration rather than upon the Pioneer mine itself. This was the opinion expressed by Dr. H. T. James, the managing director, at the annual meeting held about a month ago. Because of meagre results on the bottom levels, no promise has been held out for developments at additional depth in the Pioneer mine.

While exploration of the mine in recent years has not been of an encouraging character as far as new ore results are concerned, ore reserves have declined only gradually and were still equal to nearly four years milling requirements as at March 31, 1940. In spite of the new excess profits tax, it appears likely that operating profits will permit a continuation of the present dividend rate of 40 cents a share per annum if this is desired. The company is in a strong working capital position with over 80 cents a share in net liquid assets behind each issued share.

Outside exploration is being continued actively. Lateral work yielded reasonably satisfactory results on the Musketeer property on Vancouver Island and development is now proceeding on a lower level. Shipments of antimony ore are being made from an optioned property and other work is also being done.

Pickle Crow

What are latest things of interest in the position of Pickle Crow Gold Mines? Are the company's earnings and ore reserves standing up?

Probably the latest development affecting Pickle Crow Gold Mines is the new budget which will reduce the amount of profits which would otherwise be available for dividends. On the basis of earnings last year, the per share profit under the new tax setup would amount to 43 cents a share compared with the actual profit after taxes of 52 cents a share last year. However, the company is securing additional revenue this year through the higher price for gold, and profits after taxes may not be much out of line with those for last year.

At the end of last year ore reserves were estimated at sufficient for four years' operations, which represented a net gain of one year over the reserve reported a year previous. This reserve represents ore above the 1950-ft or bottom level.

Weakness in the market for Pickle Crow stock some time ago was attributed to the decline in grade of ore found in exploration at the lower levels. Grade of ore on the bottom level at 1,950 ft., for instance, has averaged only $12.25 a ton compared with an average of over $22.00 a ton from the 1,350-ft. level upward. However, there has been no weakening in the vein at depth and a still lower horizon may reveal a better grade of ore.

Exploration of the Albany River zone on the company's property to the north is being carried out at the 750-ft. horizon and it is possible that an important source of ore will be developed in this locality. With more power now available, work has been resumed at the Albany River property where some interesting results are being obtained. Pickle Crow has a 56% interest in Albany River and will profit should this company be successful.

Cariboo G. Quartz

Does it appear that Cariboo Gold Quartz has reached its maximum size or do there appear to be chances of further growth?

In the fiscal year ended Jan. 31, 1940, Cariboo Gold Quartz Mining Co. increased its ore reserves by more than 125,000 tons to 428,588 tons with an average grade of $15.26 a ton. This increase in reserves prompted the management to consider increasing capacity. It was decided to step up the mill and the first step-up from 300 to 325 tons daily will take place next September, it is believed.

Earnings last year were equal to 37.1 cents a share—the highest in the company's history—and compared with previous record earnings of 34.2 cents a share the preceding year. Average monthly production has been somewhat lower so far in the current fiscal year than last year, due to treatment of a lower tonnage of ore but this condition is believed to be only temporary. Dividends are being paid at the rate of 16 cents a share in quarterly payments plus extras. The most recent extra is one of 2 cents a share payable July 2.

Working capital of the company has been built up steadily in recent years and is now equal to over 30 cents a share.

Casakirk Gold Mines shareholders approved a financing agreement with Hollinger Consolidated Gold Mines at a meeting last week. Under the agreement, Hollinger will explore the Casakirk property underground from the adjoining Macassa workings.

Mining Concentrates

Bayonne Consolidated production for the first half of June is reported at $18,500 against $17,300 for the first half of May. The new programme of surface exploration will get under way as soon as snow conditions allow. Work will be concentrated on finding the extension of the new vein at the No. 8 level.

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Grull-Wihksne Gold Mines plans a further examination of its Bridge River claims. H. Grattan Lynch, consulting engineer, will visit the property shortly.

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Highland Surprise Mining Co. is stated to have plans well in hand for getting production under way this month. The new fourth level adit tunnel has broken into solid vein material after passing 80 ft. through loose rock. The intersection is 500 ft. below the highest surface exposure. It was not anticipated that ore would be cut on this level until 200 ft. of rock had been traversed. The company has leased the mill of Whitewater Mines and expects to start production with $20,000 to $30,000 working capital in the treasury.

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Lake Shore Mines has appointed A. L. Bloomfield to be mine superintendent as well as managing director. E. W. Todd, who came to the company in 1933 as mine superintendent, has resigned. No change in the operating position of the company is contemplated, it is stated.

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Lake Dufault Mines which has been carrying on diamond drilling from the adjoining Waite Amulet workings for the last six weeks, will continue this work for about another month, it is reported officially. The drilling is being done to determine more fully the extent of Lake Dufault's part of the lower "A" ore body. Results are said to be encouraging, with indications that a larger tonnage will be shown than first estimated from the surface drilling.

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Maralgo Mines retains its interest in Jellicoe Mines, according to the company's annual report. Jellicoe is now undertaking a long drive to the west to test a wide, low-grade zone indicated by earlier drilling on the property. Maralgo's balance sheet as at April 30, 1940, shows cash of $7,109 and shares in other companies with book value of $335,068. Current liabilities were $551.

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Macassa Mines expects to have three new levels at 3,875, 4,000 and 4,125 ft. under development from its winze early this summer. A fourth level may also be established at 4,250 ft. before the end of this year. Development on the 3,725-ft. level is stated to have probably had the best ore results of any level so far opened up. Following completion of the new shaft to 4,100 ft. next August, it will be possible to enlarge the programme of underground exploration.

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Naybob Gold Mines is stated to have proved the upward extension of its No. 2 ore body from the 700- to 300-ft. level. Production for June is reported at about $46,000.

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Faymar Porcupine Gold Mines plans to issue quarterly production statements. A first statement on operations up to June 30 is anticipated about July 15. Milling operations were started March 28.

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Premier Gold Mining Co. has sent in a crew for a programme of exploration on the Portland Canal group on Bowser River, Portland Canal area. In the last annual report Premier stated that the optioned property had one or two surface exposures of good grade ore over moderate widths.

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Pend Oreille Mines & Metals is starting the mining of an open pit ore body. Drilling is reported to have indicated a minimum of 100,000 tons of mill feed with zinc values predominating. About one quarter of milling requirements is expected from this source.

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Rich Lake Patricia Syndicate now has a crew at work on its property in the Fort Hope mining area of Ontario with enough money reported in the treasury to carry operations along until freeze-up. Work will be continued on a tungsten-gold property where good values are stated to have been secured from channel and grab samples.

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Wells Longlac Mines shareholders have approved creation of a trust by the liquidator. Funds and securities on hand will be placed in this trust by the liquidator to be eventually distributed among remaining shareholders.

Lamaque Net Off Slightly

Ore Reserves Show Increase Over Total For Previous Quarter

A decrease in earnings is shown by Lamaque Gold Mines for the three months ended May 31, 1940, with per share profit equal to 16 cents a share compared with 19 cents in the preceding quarter. Earnings are unchanged from the similar period of the preceding fiscal period, however.

Net profit of $477,613 realized in the May, 1940, quarter was obtained from production of $1,237,101 compared with $1,307,453 production the preceding quarter. Tonnage milled was 112,091 tons, a slight increase over the 110,045 tons of the February quarter. Average grade of ore treated was lower at $11.26 against $12.11 a ton.

May Tonnage Highest

March was the best month in the May quarter with output of $439,473 compared with $396,830 in April and $400,797 in May. Tonnage of ore treated reached a peak in May at 38,044 tons compared with 37,674 tons in March and 36,373 tons in April.

Ore reserves show an increase amounting to 878,793 tons averaging 5.76 dwt. as at May 31, 1939, compared with 865,865 tons averaging 5.79 dwt. three months earlier. (One pennyweight equals $1.75 with gold at $35.)

A total of 957 ft. of new ore was opened up in the three months ended May 31, 1940. Grade averaged 6.88 dwt. across an average width of 5.8 ft.

Hedley Mascot Expects Earnings to Continue

From Our Own Correspondent

VANCOUVER — Present rate of earnings at Hedley Mascot Gold Mines probably will be continued for several years, President W. B. Farris, K.C., told shareholders at the annual meeting here. If this is the case interim dividends will be continued, while at the same time cash reserves will be increased.

Ore from the Canty mine will be put through the Mascot mill during July for the first time, according to R. H. Stewart, managing director.

The company is going ahead with extensive prospecting and Victor Dolmage, consulting engineer, said that favorable results had been obtained in exploration of the Mascot, Nick of Time and Galena claims.

East Kootenay Power Income Moves Ahead

From Our Own Correspondent

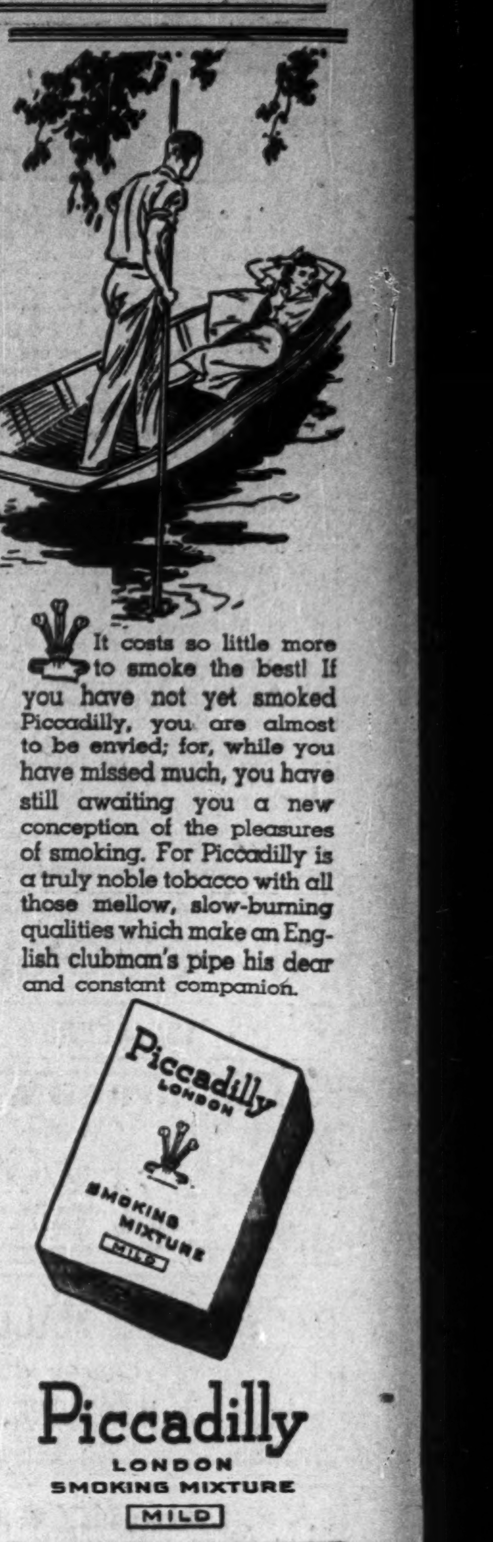
MONTREAL. — Relatively sharp increase in net operating income is reported by East Kootenay Power Co. During May the company has a gross revenue of $51,720, an increase of $7,322 over May, 1939. Operating expenses advanced $3,318, leaving net earnings of $33,223 compared with $29,219 in May, 1939.

Cumulative returns for the first two months of the current fiscal year show an advance in gross earnings of $12,186 to $99,170, while net earnings at $65,743 were $9,132 greater than in the two months ended May, 1939.

Sigma Initiates Mill Expansion

An increase in mill capacity from 750 to 1,000 tons daily has been authorized by directors of Sigma Mines (Quebec). The company announces new capacity is expected to be reached within five months.

Coupled with the announcement is declaration of an initial dividend of 30 cents a share, payable July 27 to shareholders of record July 15. At the last annual meeting it had been stated no consideration would be given to dividends until the matter of excess profits taxation was cleared up.



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Ask B.N.A. Amendment For Job Insurance

A resolution petitioning the British Parliament to amend the British North America Act to place unemployment insurance exclusively in the Dominion field has been adopted without vote in the House of Commons at Ottawa.

The move is a step toward enactment of a national unemployment insurance scheme. The resolution, it is stated, carries the approval of the nine provinces and every group in the House.

Action to have the Dominion's jurisdiction clearly outlined is a precaution against any bill the Government may introduce being declared ultra vires as was a similar one passed by the Bennett Government some years ago.

General Steel Wares Gets $86,311 Contract

From Our Own Correspondent

MONTREAL. — General Steel Wares has been awarded an $86,311 contract for barracks stores by the Department of Munitions and Supply.

Saint John Civic Hydro Load Increases 10%

From Our Own Correspondent

MONTREAL.—Saint John's Civic Hydro Commission reports consumption of electrical energy for May of 1,348,659 kw.h. This contrasts with 1,208,656 kw.h. for May, 1939, an increase of more than 10%.

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CHARTERED ACCOUNTANTS

BUSINESS COMPLEXITY AND THE ACCOUNTANT

"The great world spins forever down the ringing grooves of change." Tennyson's words fit well the evolution in the business and industrial world.

Remarkable developments have been brought about within relatively few years by scientific discoveries, inventions and the ingenuity of the human mind. For example, the internal combustion engine, hydro development and radio, with all their related industries, are comparatively new. At the same time there have been evolved new types of business—holding and interlocking companies, investment trusts, chain stores and discount and acceptance corporations, to mention only a few.

These developments have been focussing attention on such matters as costs of production and distribution, mass production and standardization, competition, co-operative effort and the relationship of capital to labour. Modern management, confronted as it is with new and varied problems respecting methods, policies, financing and the like, needs all the assistance it can secure from every reliable source.

What contribution has the accountant been making towards the solution of the numerous problems of industry? Accounting has become recognized as an indispensable agency in facilitating executive control. Furthermore, since he has been keeping abreast of modern developments in businesss and industry through study and research, the chartered accountant in consultative, advisory and other capacities is rendering a unique service to industry and to governments. In this way he is able to contribute very materially to the increased confidence in the conduct of industry in this country and to the maintenance of the public morale during these trying days of our Empire.

One of a series of brief discussions of the work of the professional accountant.

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Scott Paper Co. Assures Pulp Supply

From Our Own Correspondent

MONTREAL.—Scott Paper Co., Chester, Pa., which contracts for the entire groundwood pulp output of Minas Basin Pulp & Power Co. at Hantsport, N.S., has acquired ownership of the Coos Bay Pulp Corp., of Oregon, through purchase of the entire capital stock.

U. S. Papers Report More Advertising

From Our Own Correspondent

MONTREAL.—Advertising linage in 52 major American cities for the first five months of 1940 registered a gain of 3.5% over the like period a year ago.

The current year's cumulative figure of 527.4 million lines is the third largest for any like period since 1931, having been exceeded in 1937 and 1936.

Pulp and Paper Industry

Newsprint Markets Broaden

Trade Returns Begin to Reveal Reorientation of Foreign Demand For Canadian Made Paper

From Our Own Correspondent

MONTREAL.—Substantial broadening of Canada's overseas market for newsprint as a result of the disruption of international markets by war conditions, is becoming more apparent in the Dominion Bureau of Statistics returns.

Markets once supplied by Canadian mills are back on the list. Others have greatly enlarged their purchases to replace former Scandinavian tonnage. Still others have curtailed imports due to shipping, exchange and other restrictions.

Markets Show Change

The reorientation of markets has its effects directly and indirectly on Canadian mill operations. Generally speaking sales for the first five months of this year have been 22% greater than for the like period last year.

Shipments to the United States have advanced from 813,701 to 944,365 tons. This has been due in part to the replacement of Scandinavian supplies and also to the increased consumption of American publishers.

But the most interesting and significant changes in Canadian newsprint marketings have taken place in the overseas trade. For the five months ended last May shipments aggregated 240,123 tons. This contrasts with 156,763 for the same period in 1939.

Figures Can Mislead

The monthly figures are of limited value in appraising the overseas demands, for the reason that they do not reflect publisher requirements. For example shipments to England might be very heavy during one month and far above average because of the availability of shipping. The following month they may almost disappear because of the lack of shipping

Examining the cumulative returns, however, does give an approximate idea of the change in the demand from various world importing countries and the effect on shipments from Canadian newsprint mills.

More For Empire

Despite currency restrictions and voluntary as well as official restrictions in consumption, the Empire markets have actually increased their purchases of Canadian newsprint paper this year as compared with a year ago. This statement applies only to aggregate returns. When the individual Empire markets are examined it will be found that there have been rather sharp and even severe changes.

For the first five months this year 155,460 tons of Canadian newsprint were shipped to Empire countries. For the like period last year shipments totalled 146,955 tons, an overall improvement of nearly 9,000 tons.

U. K. Cuts Requirements

During this comparative period the British publishers cut their imports of Canadian newsprint by nearly two thirds. This was done in order to conserve Canadian dollar exchange; smaller consumption and, to a lesser degree lack of shipping space.

The contraction in British purchasers of nearly 37,000 tons in the five months was offset largely by an increase in Australian purchases of some 29,000 tons. This abnormal increase in Australian demand reflects the move on the part of publishers in that Dominion to stock up with newsprint against unknown eventualities which might interfere with the regularity of supplies.

A similar condition is noted in British South Africa's imports of Canadian newsprint; purchases increasing by nearly 80% in the first five months of this year. New Zealand reports a somewhat similar situation.

British India is now looking to Canada to meet her rather serious shortage of paper. In the past this market depended on England, Germany and the Scandinavian countries.

The trend of shipments to Empire markets this year with comparative figures for last year, follow:

Shipments to Empire Markets
January to May

	1940	1939
United Kingdom	21,544	58,701
Eire	2,640	3,505
Australia	91,116	62,915
New Zealand	15,374	10,873
British India	5,381	......
Brit. South Africa	18,141	10,562
Brit. West Indies	1,264	399
Total	155,460	146,955

One of the greatest changes in the overseas marketing of Canadian newsprint paper has to do with the South American field. At one time Canada supplied a relatively large proportion of that market's newsprint requirements. A few years ago, however, Scandinavian producers secured a foothold and in the year preceding the war, Canadian shipments to South America were negligible.

Since the war South American buyers have turned to the Canadian mills. The result has been the recovery of four markets and a sharp increase in shipments to other markets in the area.

The changes which have occurred in the South American demand for Canadian newsprint is tabulated below:

Shipments to South America
January-May

	1940	1939
Argentina	40,196	1,640
Brazil	9,836	....
Chile	3,028	....
Peru	3,196	....
Uruguay	347	....
Venezuela	981	542
Other	1,684	106
Total	59,270	2,288

Recover Other Markets

Central America is another market which has turned to Canada for newsprint supplies. Hitherto German producers, and to a lesser extent the Scandinavian operators, dominated this market. The success of the Germans was due to their bartering arrangements.

For the first five months of this year Canada shipped 7,946 tons of newsprint to Mexico. For the same period last year, shipments amounted to only 29 tons.

Sales in other Central American markets to the end of May this year aggregated 1,126 tons, as against only 182 tons for the first five months of 1939.

Ship More to Orient

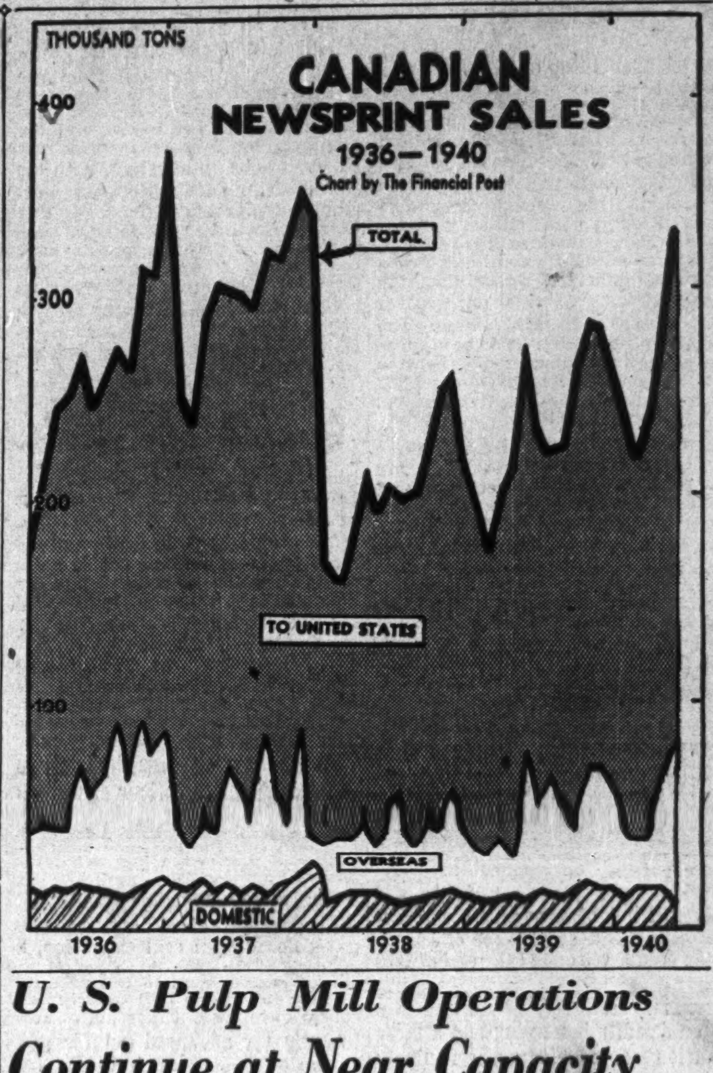
Canadian mills have also improved their position in other markets. In the Orient shipments to date are well ahead of those for last year, as will be seen in the following table:

Shipments to Orient
January-May

	1940	1939
China	3,421	37
East Indies	4,201	929
Philippines	864	668
Total	8,486	1,634

Look for Better Year

While difficult to hazard a guess as to the extent of the demand from overseas this year, it is safe to assume that with a continuation of present conditions, considerably more Canadian tonnage will be marketed overseas than was the case in 1939. A sharp contraction is to be expected in some markets, notably the United Kingdom, but elsewhere the demand is expected to be such that, on balance, the overseas trade will be appreciably better than it was in the past year.



U. S. Pulp Mill Operations Continue at Near Capacity

From Our Own Correspondent

MONTREAL. — American pulp productive facilities are being used to near capacity in order to meet domestic demand. During May, according to the United States Pulp Producers Association, the industry reporting had an output of 650,071 tons or 86% of capacity.

As was the case in recent months the demand for chemical pulps continued high during May. Bleached sulphite and sulphate production was equivalent to capacity operations. There was also a strong demand for unbleached sulphate and a somewhat lesser demand for unbleached sulphite.

Only about two thirds of the groundwood capacity is being used. This has tended to pull down the average of capacity operations on all grades. Eliminating groundwood, the returns show that over 90% of the chemical capacity of the reporting members was in use during last May.

Particulars of operations of the reporting members to the United States Pulp Producers Association for May, 1940, follow:

(Figures in short tons of 2,000 lb. air dry weight)

Grades:	% of industry capacity reporting	Production during May	Used by producing mills	Sales foreign and domestic	Stocks* on hand end of May	Imports during May
TOTAL, all grades except soda	86%	650,071	500,496	142,154	144,015	80,306
Total sulphite	..	218,276	108,440	113,262	74,181	49,702
Bleached	97	139,788	62,698	78,264	48,714	26,822
Unbleached	89	78,488	45,742	34,998	25,467	22,880
Total sulphate	..	306,110	281,080	23,809	18,361	11,815
Bleached	100	43,092	36,947	5,553	7,655	5,146
Unbleached	95	263,018	244,133	18,256	10,706	6,669
Groundwood	67	113,273	100,536	2,559	48,995	18,401
Damaged, off-quality, misc.	41	12,412	10,440	2,524	2,478	388

*Total, for own use and sale, of pulp of own manufacture (does not include stocks of purchased pulp).

Import data from United States Bureau of Foreign and Domestic Commerce.

Other data as reported monthly to the United States Pulp Producers Association.

Slash Shipping Rates to S. A.

U. S. Move Will Help Exports of Canada's Newsprint Producers

From Our Own Correspondent

MONTREAL. — Canadian newsprint manufacturers' position in the South American market is strengthened by the action of the U. S. Maritime Commission in reducing the freight rate from $15 to $9.75 a ton on shipments from New York to South American users. The new rates are effective on ships of American registry and under Maritime Commission regulations.

President Roosevelt announced the rate slash. It was chiefly a move to weld the Americas into an economic whole, furnishing one another with markets lost through conquest by the totalitarian states.

Riordon Bonds Issue Called

Big Operator of Post-War Days Calls Last of Debentures

From Our Own Correspondent

MONTREAL.—Riordon Pulp & Paper Co., a wholly owned subsidiary of Canadian International Paper Co., has called for redemption on Dec. 31, 1940, at 105 and accrued interest all of the outstanding 6% first mortgage sinking fund debentures.

The debentures, to be redeemed, were issued in Oct., 1912 and the maturity date is Dec. 31, 1942. The original amount was $2.5 millions, but has been reduced through annual retirement to the present level of $200,100.

Important in Its Pay

Riordon Pulp & Paper Co. is well known to the industry and Canadian investors in years past. The company was a merger of the Riordon and Perley interests and the issue which is now being redeemed, was made upon the security of the Hawkesbury and Merritton Pulp Mills in Ontario and the Calumet sawmill and Rouge River limits in Quebec.

In 1920 the properties were acquired by Riordon Co. Ltd., subject to funded indebtedness, in consideration of shares of Riordon Co. Five years later the properties, subject to Riordon Pulp & Paper Co.'s debentures, were acquired by International Paper Co.

British Newsprint Price Up to £24

From Our Own Correspondent

MONTREAL. — As anticipated, the British Paper Control has issued an order increasing the maximum price of newsprint from £22.10 ($100.12) to £24 ($106.80) per ton.

The order, effective July 1, follows arrangements for the importation of supplies of newsprint from Canada and Newfoundland. Further restrictions also are to be placed on the size of daily and weekly newspapers. The return of unsold copies will be forbidden except under license.

S.E.C. Offers M. & O. Plan

Report Suggests Changes in Trustee Plan — Hearing July 15

Report on the reorganization proposals for Minnesota & Ontario Paper Co. has been delivered to Minneapolis courts by the Securities & Exchange Commission, Washington. This report includes a recommendation as to what the Commission considers to be a fair plan of reorganization. This plan is to be considered by the court in Minneapolis at a public hearing on July 15, 1940.

The S. E. C. plan provides for bondholders to get 50% of their principal in new 5% bonds and 40 shares of new common for each $1,000 of bonds held.

Holders of unsecured notes would get 30 common shares, plus $7.50 in cash, for each $1,000 note. Other unsecured creditors would get three common shares for each $100 of indebtedness. A total of 20,151 common shares is to be set aside for creditors of subsidiary companies.

Simplified Capital

Capitalization would be 1,344,544 common shares and $12.2 millions of bonds. Cash distributions would total $167,869.

The plan as advocated by the S. E. C. differs in some respects from the revised plan suggested by the trustees. First plan of the trustees would have given bondholders 40% of their principal in new 4% bonds, but this was later raised to 50% in new 4% bonds. Certain cash payments are to be granted bondholders to equalize interest arrears.

The company's present capitalization consists of $24.4 millions of 6% first mortgage bonds and $3.5 millions of 6% notes. The common and preferred shares get no consideration in the reorganization plans.

MUNICIPAL HONOR ROLL

Five Years of Progress by Local Government

CALGARY, ALTA.

Calgary is the seventh in a series of municipalities included in The Financial Post Municipal Honor Roll for 1940.

These municipalities are those which are considered to have shown stability over a period of years, or in recent years have made outstanding progress in improving their financial standing. No attempt is being made to run these in sequence of merit or size.

One Canadian municipality that qualifies for inclusion in the progress class is Calgary. Forced to undertake a plan of refunding its debenture debt in 1937 and 1938, the city has been "put through the wringer." Since that time it has shown a marked strengthening of its financial position, despite numerous difficulties.

Despite a decline in assessment of $2.2 millions from 1936 to 1939 the tax rate was reduced to 47½ mills from 56 mills.

Debenture debt is being gradually reduced. In 1935 the net debenture debt was $169.81 per capita. By the end of 1939 it had been reduced to $149.68.

The reduction in tax burden has been largely attributable to reduction in debt carrying charges brought about by the refinancing operations.

The refunding plan evolved by debenture holders and the municipality was necessitated by the inability of the city to carry a heavy debt structure, which was built up during the rapid growth of the foothills city.

Briefly, the plan called for an exchange of new 25-year debentures for the old issues of varying maturities and rates. All the city's existing debentures mature in 1962. All debentures were issued on an annuity basis instead of the sinking fund type. All bonds held in sinking fund were cancelled. The sinking funds shown in the financial statistics below show those reductions.

The situation confronting the civic administration has been a difficult one. Cost of relief has been heavy, as indicated below. Assessment values have declined. Notwithstanding these unfavorable factors the municipality has been able to report progress since its finances underwent drastic revision by reorganization.

The civic council is elected for a term of two years.

Statistical Picture

	1939	1938	1937	1936	1935
Population	85,726	85,726	85,726	83,304	83,760
Assessment (in $000's)	55,440	55,741	56,773	57,617	60,975
Assess. per capita ($000's)	646	650	662	691	728
Mill tax rate	47½	50	52	56	50
Tax collections:					
Curr. collections to curr. levy (%)	81.16	78.57	76.43	75.11	73.81
Curr. & arrears to curr. levy (%)	109.63	108.07	98.69	95.57	96.03
Gross deb. debt (incl. cap bank loan) (in $000's)	14,096	14,739	23,461	23,461	23,541
Less: Sinking fund	1,265	1,655	10,547	10,167	9,318
Net deb. debt	$12,831	$13,084	$12,914	$13,294	$14,223
Net deb. debt per capita	$149.68	$152.62	$150.64	$159.58	$169.81
Other liabilities (in $000's)	2,923	3,323	3,546	3,761	3,667
Relief exp. funded	nil	nil	nil	nil	nil
Relief met out of curr. revenue	$440,925	$522,462	$673,514	$751,545	$549,009

Quebec to Enquire Into Forest Industries

From Our Own Correspondent

MONTREAL.—Quebec Legislative Council has adopted the Hon. Frank Carrel's motion urging the government to create a commission of practical experts "to investigate and rehabilitate" the forest industries of Quebec.

The commission, according to the motion, would be composed of "leading Canadian scientists, chemists, forestry engineers, technologists and experts" so that the government would be "fully informed" of forest industry conditions, not only in Quebec, but also in other parts of the world.

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Brown Co. Sales Much Higher

Sharp Gain Reported In Profits In Past Six Months

From Our Own Correspondent

MONTREAL.—Consolidated operations of Brown Co. for the 24-week period ended May 18, 1940, shows an improvement of approximately $1.5 million as compared with the like period of 1939, according to a statement released by the chairman of the Reorganization Managers.

Consolidated sales for the period were $10,574,012 compared with $7,519,299 in the same period last year.

Net income before depreciation, depletion and deferred interest on the present bonds was $1,344,713 compared with the loss of $154,444 last year.

After provision of $816,358 for depreciation and depletion, income before bond interest but after Canadian Income Taxes and adjustments for foreign exchange, was $528,358 against the loss of $955,703 in the similar period last year after depreciation and depletion of $811,259.

Results during the four weeks to May 18, 1940, were considerably better than the average for the entire 24 weeks period.

U. S. Cellulose Acetate Output Expands

From Our Own Correspondent

MONTREAL.—Production of cellulose acetate in the United States recorded a sharp jump in May. The output in the form of sheets, rods and tubes amounted to 702,358 lb. as against 558,358 lb. the month before and 490,684 lb. in May, 1939.

Cumulative output for the first five months of this year amounted to 3.3 million lb. as against 3.9 million lb. for the corresponding period last year.

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